

TAKING AUSSIE-TESTED 4WD PARTS INTO PNG

EXPORT CASE STUDY | MAY 2018

In a country consisting almost entirely of remote locations and rugged, mountainous terrain, a reliable vehicle is a requirement for getting around – which is why Terrain Tamer 4WD decided it had something to offer the Papua New Guinea (PNG) market.

The Don Kyatt Group, which encompasses Terrain Tamer, started as a spare parts store in a single Melbourne location 50 years ago and has grown to a global organisation that employs about 140 people across 14 branches both local and internationally and has a network of stockists around the world.

General Manager Brent Hutchinson said the essence of the company had not changed but the development of the Terrain Tamer brand enabled the company to move from a service focus to a product manufacturing business.

‘Our founder is still managing director, and our product offering is still led by our core value of attention to customer requirements,’ he said.

‘It’s really been the vehicles that have evolved, from Bedfords and Leylands to Landcruisers and Nissans – but, although the scale has moved to exporting, the key concept of “if a part can be broken, what can we do to make it stronger?” is still what drives us.’

Terrain Tamer has a range of more than 40,000 spare parts that it provides to customers such as emergency services, farmers, mining contractors and recreational 4WD enthusiasts in more than 80 countries.

Creating the Terrain Tamer brand enabled the company to build a distribution network of stockists for its product and provided an opportunity to



Image caption: The newest Don Kyatt warehouse opens in Port Moresby, PNG

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General Manager Brent Hutchinson

develop a product range that represented the company’s values, Hutchinson said.

‘Australia is an amazing playground for testing the durability of vehicle parts – there’s a strong drive to get it right, because a part that breaks prematurely really causes trouble for customers who might be a long way from a replacement,’ he said.

This strong heritage of providing quality vehicle parts for operation in tough and remote locations, plus the strong agricultural and mining industry presence in PNG, made Australia’s northern neighbour an obvious choice for continued development of the brand.



Australian Government

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Challenges of a tough market

Terrain Tamer has been providing products to customers in PNG for more than 20 years through a remote service, with parts ordered from its Australian warehouses packed for shipping overseas.

Hutchinson said the mountainous island nation was a challenging environment for vehicles, making it a perfect fit for Terrain Tamer and its range of quality parts.

'We sold parts to PNG customers for years but we knew that, to provide the kind of quality experience and responsive service we aim for, we needed to establish a presence in the country itself,' he said.

'So, after scoping out the potential of the market for the past couple of years, we made the move to get a warehouse established in Port Moresby.'

The Port Moresby warehouse, opened in February 2018, adds a new location to a global network that includes Terrain Tamer operations in New Zealand, Fiji, Europe and Australia.

Despite the advantages of a presence in the capital, the terrain and infrastructure provide challenges to the day-to-day operation of the business, Hutchinson said.

'Just because we are in Port Moresby doesn't mean it's easy to ship to all areas of PNG,' he said.

'Transport is a big challenge – it's not a challenge we find in too many countries, but we are quickly learning how to be flexible with freight companies and ship from Australia to these regions if needed.'

'Understanding the physical challenges the 4WDs go through has been another sharp learning curve, and one that will see us developing specific solutions for these vehicles for the next 10 years!'

The road to PNG and beyond

Austrade had previously helped the Don Kyatt Group with entry into the European market, so the company was keen to seek out that same support to break into PNG.

Hutchinson said Austrade had provided solid advice and guidance about the PNG market and about accessing Australian Government assistance for market entry.

'Austrade was a great sounding board in discussions about operations in PNG and highlighted a few considerations for sustained success to factor in when opening,' he said.

'The fact that there is reasonable trade between our two countries was a big help, too – cost of goods is very important in a country with a much lower minimum wage than Australia, so we need to ship our products with as little cost increase as possible to ensure it's affordable to the average PNG vehicle owner.'

The Don Kyatt Group has also made use of the Export Market Development Grant (EMDG) scheme administered by Austrade to market its products in other countries, including Thailand, Fiji and France, during its expansion into international markets during the past few years.

PNG is the focus at present but the Don Kyatt Group has plans for future expansion to take the Terrain Tamer brand to customers in other parts of the world, Hutchinson said.

'We are a slow and steady company that has been growing every year of our existence for 50 years, so further expansion to countries that need us most is certainly on our radar,' he said.

Hutchinson said he gets a kick out of meeting customers in far-flung corners of the world and hearing about their experiences.

'When I get to travel to these incredible locations and meet a customer who is happy with our range and appreciative of how we've strengthened his vehicle so he can get his job done – well, that's just magic!'

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