

A high-profile duo

Used tyre marketplace Orbix realises an innovative business model with TecAlliance

In ideal shape right from the very beginning, at top speed and with flawless road adhesion – that's how you could describe the successful careers of online used tyre retailer Orbix and automotive data specialist TecAlliance. The whole story started in the classic way: with a vision that developed into interesting business opportunities for both parties.

As early as 2008, Jürgen Benzinger – then head of sales at BMW – saw a problem in need of a solution: a surplus of used tyres. In warehouses, at every auto dealership. Uncounted and unregistered, they sat waiting for their expiration dates so that they could be thrown away. 'Lots of tyres were simply given away to customers purchasing new cars or sold at a discount at the end of the year,' Benzinger recalls.

He was convinced that good money was being thrown away. 'Let's take the example of a dealership with around 40 salespeople that sells approximately 5,000 vehicles a year, with each set of tyres going for about 450 euros. We'd be looking at 2,250,000 euros a year,' Benzinger says. His vision was to digitise the records of every rim and tyre in stock and put them on the market.

TecAlliance data takes it from idea to success

The idea: an online platform for used complete wheel sets – tyres and rims – featuring an intuitive search function for private customers and dealers. It would put back on the market around 29.4 million used wheel sets piled high in Germany's auto dealerships, tyre sellers, leasing companies and car rental agencies. Simple as the idea may sound, putting it into action was anything but. In addition to programming and collecting contact details for dealers, the online marketplace needed reliable data sets as the foundation of a user-friendly search function. Ultimately, the buyer needs to know which wheel set matches his car.

'Due to my many years of experience in the automotive sector, I immediately knew who we needed to contact,' Benzinger explains. 'Where quality, coverage and level of detail is concerned for the required vehicles and parts data, you have to ask TecAlliance.'

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Jürgen Benzinger, Orbix

TecAlliance is a global market leader in the field of automotive data management. More than 20 years ago, the company started specialising in collecting current vehicle data, product data and repair and maintenance information for all manufacturers. Then it prepared the data in a standard, globally recognised format. Today, the data in the TecDoc Catalogue makes it possible to unambiguously identify replacement parts and digitise the entire supply chain – from parts manufacturing all the way to the end consumer in the workshop.

TecAlliance delivers the essential basis for business with its Repair and Maintenance Information: vehicle description data, links to vehicle type numbers and information like hub diameters, screw counts and bolt circles.

'Only with the help of this foundation of digital data from TecAlliance could Orbix's vision

become a reality,' comments Thomas Niedermeier, TecAlliance sales specialist for Germany, Austria and Switzerland. 'By linking our search function to TecAlliance's data, we can ensure that customers order the right tyres the first time.

This avoids the potential returns resulting from customers not seeing the right products,' Jürgen Benzinger comments. 'We know that we receive totally reliable, high-quality data, and that we can continue to count on TecAlliance for new requirements at any time.'



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Screenshot: Orbix Reifenportal

In addition to providing the data, TecAlliance advised the Orbix team throughout the entire project. ‘We recognised the huge potential of the Orbix idea from the very beginning. Together, we developed a plan for how to realise this vision using our data,’ Thomas Niedermeier reports.

Benzinger recalls, ‘Our experience with TecAlliance was one of truly amazing support. As a start-up, we were welcomed with open arms, and the offer was custom-tailored to our requirements and needs. We were able to contact TecAlliance whenever we needed them and got highly competent responses and solutions.’

Vision becomes reality

A beta version of the tyre marketplace went live in May 2017. Any dealer can register and receive a stock management tool – free of charge. The tool allows him to digitally record the tyres, rims and wheel sets he has stored, make these available to customers through the platform and manage sales and shipping. Orbix receives the transaction fees, which are scaled in five categories depending on sales price. The rest of the money goes to the dealer, who can offer his wheel sets at correspondingly low prices. And the buyer can look forward to practically new wheels at a great price.

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Thomas Niedermeier, TecAlliance

Orbix makes it as easy as possible for its dealer partners to record tyre information: they can use smartphones or tablets to upload three or four photos of the tyre set to the tool. Next, the dealer is taken step-by-step through a template to add important parameters such as profile depth. Information such as hub diameter or size in inches is linked to the vehicle data in the TecDoc Catalogue. This means that when buyers enter a search, they see only the right tyres and rims for their vehicles.

This brings Benzinger’s 2008 vision to fruition: used tyre stocks are digitised and put on the market, monetising untapped value. The number of customers is growing at a fast clip: around 40,000 users registered in the summer of 2017. ‘Then I got a phone call from Switzerland,’ Benzinger tells us. The AMAG Group, a Swiss chain of car dealerships, had heard about the new tyre marketplace.

Quickly AMAG and Orbix GmbH founded Orbix Schweiz AG. Shortly thereafter, Orbix took part in a small trade fair at AMAG’s invitation, where 800 exhibitors from the Swiss automotive industry presented their portfolios. ‘We didn’t even need to do a lot of marketing. People were queuing up to register. I’ve never had a product that was easier to sell than Orbix,’ Benzinger says. A Swiss anomaly? Not at all. Soon the same thing happened at the Used Car Congress in Hanover, Germany.

Looking onward, upward – and to the east

Orbix’s revenue that first year was about 150,000 euros; for 2018, the company’s founders are expecting seven figures. And Orbix wants to open more markets in Eastern Europe. Unsurprisingly, it will continue to rely on the tyre, wheel and rim data from TecAlliance, which is also available for these regions. Jürgen Benzinger is looking forward to continuing the collaboration with TecAlliance: ‘No matter which market we develop and which special data we need there – in TecAlliance, we’ve found the right partner to successfully turn our company vision into a reality.’

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