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Industry comparison shows sales flaws

Powersports Business

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SCOTTSDALE, Ariz. — A company that has examined the sales processes in the powersports, auto and RV industries has found the motorcycle industry significantly trails its counterparts in simple sales processes.

That conclusion, reached by a management consulting company that works with Ducati North America and Victory, is good news for an industry that is likely to be down in retail sales for 2007 compared to the previous year. If dealerships can improve sales process basics, then it's possible sales could increase in a challenging economy.

"How can dealerships sell more motorcycles without more floor traffic?" asked Fran O'Hagan, the CEO of Pied Piper Management Co., the California-based company that unveiled its first-ever, three-industry survey in 2007. "It's not that complicated."

O'Hagan discussed his company's findings at Powersports Business Congress, an annual event that brings together suppliers and dealers for a series of business meetings. O'Hagan was the keynote speaker of the event, which featured dealer principals and general managers from close to 20 dealerships and executives from more than 15 industry companies.

"In the auto industry, it's much rarer to come across salespeople who don't know a sales process," O'Hagan said in comparing the auto industry to the motorcycle industry's sales processes, which are not identical but share many common steps.

"Nearly all of them (auto salespeople) understand a sales process. They've been told this is what you do. But in the auto industry, lots of times they're lazy. They know the process, but they don't do it. In the motorcycle industry, we don't really find that. We just find that (the salespeople) don't have a process they follow, either because they don't know or because the dealership doesn't require it."

The data that O'Hagan's company uncovered reflects that. The data was presented earlier this year in the 2007 Pied Piper Prospect Satisfaction Index. The index differs from a traditional customer satisfaction survey, as it does not include consumers in the process. Instead, Pied Piper identified key steps in the sales process — from a salesperson promptly greeting a customer to determining a consumer's price range to eventually asking for a sale — and then measuring if each of those vital steps were done by the salesperson.

Many times, the motorcycle industry fell below the RV and auto industries in following through with those sales process steps. Among the findings O'Hagan unveiled to Powersports Business Congress participants included:

A motorcycle industry salesperson only introduced themselves to a consumer about 63 percent of the time, vastly below their auto industry counterpart (92 percent);

A motorcycle salesperson tries to build rapport with a consumer less than 70 percent of the time while an auto salesman does so more than 80 percent of the time;

A motorcycle salesperson asks for a customer's contact information less than 40 percent of the time, which is vastly below the auto industry's benchmark of more than 80 percent;

A motorcycle salesperson provides a reason for a consumer to buy from a particular dealership less than half the time.

"I look at these new products (in the motorcycle industry) and think of all the design and engineering and all the hard work that went into them and the fact that dealership is willing to sell it \$500 over (dealer cost) on the first day it's available is sad," O'Hagan said. "A way around that is to give the customers yardsticks by which to make their purchase decisions that aren't price-related. A good one would be why to buy from that particular dealership."

O'Hagan also noted motorcycle salespeople are far less likely to ask for a future appointment with a consumer in comparison with the auto industry.

"We don't have to convince the salespeople to be enthusiasts," he said. "They already are enthusiasts. We need sales basics; sales basics that are typically missing."

—Neil Pascale

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