

Being put to the (retail) test

A Montana dealership agreed to have its retail practices analyzed as part of a national survey

BY NEIL PASCALE

■ EDITOR

A Montana dealership is considering altering its sales process in the wake of shopping evaluations that were part of a nationwide survey on the effectiveness of the motorcycle retail experience.

The survey, believed to be the first of its kind for the industry, measured the shopping experience and the effectiveness of dealers' sales force in 375 dealerships around the nation. The result was a retail rating of the Motorcycle Industry Council-reporting motorcycle companies and industry averages for different shopping experiences, from how often a consumer is greeted by a salesperson to if a salesperson asks for a customer's price range.

The authors of the survey, which is called the 2007 Pied Piper Prospect Satisfaction Index, agreed to pay for three shopping evaluations on a multiline dealership that *Powersports Business* selected. The dealership, Team Bozeman of Bozeman, Mont., then agreed to publish the shopping evaluations' findings. Team Bozeman owner Cliff Gullett did not tell his sales staff before the evaluations were conducted.

"At first, I was really apprehensive," Gullett said of the evaluations, which were done in January at his 12,000-square-foot store that features Yamaha, Kawasaki and Polaris products. "I thought were going to get dragged through the dirt."

Actually, the dealership outperformed the industry in seven areas while the three evaluations also showed seven areas where the dealership fell below the industry average.

DEALERSHIP IMPRESSIONS

While the three evaluations are not enough to rely on statistically, they did show "a dealership doing many things right," said Fran O'Hagan, president of Pied Piper Management Co., the California-based management consulting company that conducted the national survey. "A great example of things gone right is the Team Bozeman salesperson asking for contact information, which happens nationally only 37 percent of the time."

While the first impression and retail environment was better than average, shoppers found the actual sales end somewhat lacking. Team Bozeman fell below the industry average for asking for a customer's price range and whether anything was preventing a purchase.

Gullett believes those might be a result of a flawed sales process, one that previously didn't discuss the shopper's budget until after the salesperson and the shopper had already identified a new unit.

"We spend a lot of time making sure they're on the right vehicle," Gullett said, "and maybe the first question should be to find out what they want to spend."

Before the shopping evaluations, Gullett's sales process followed the typical model found in the auto industry, where a customer would settle on a vehicle of their choice and then be given the full retail price. If the customer asked

TWO-PART SERIES

This issue: How a dealership fared against the 2007 Pied Piper Prospect Satisfaction Index industry average and the dealer principal's reactions to the findings.

Last issue (Feb. 12): How Motorcycle Industry Council-member motorcycle-producing manufacturers fared in the first-ever survey.

for a better deal, that proposal would then be given to the sales manager, who would make a counteroffer. That back-and-forth process would continue until a deal was reached.

"Sometimes I think that gets a little too drawn out and that's probably because we're not close enough (in price) in the beginning," Gullett said. "We've maybe put them in too high

of that," he said, noting his general manager has pushed the message to his sales staff to not "just educate them and then let them go and get online or call and shop everybody's price. Ask for the deal and do it a couple of times so that people know we want to sell."

"We're good at educating people, but that makes us a museum" rather than a retail outlet.

Gullett and his general manager have repeated that message to their sales staff after the results of the shopping evaluation were provided to them.

"I think they were a little embarrassed about how it went over," Gullett said of the reaction his sales staff had to the evaluations.

ABOVE AVERAGE

Still, the surveys showed Team Bozeman's staff is better than average in terms of promptly greeting

TEAM BOZEMAN VS. THE INDUSTRY

As part of the 2007 Pied Piper Prospect Satisfaction Index, three shopping evaluations were completed at Team Bozeman, a Montana dealership. Because the three evaluations are not enough to rely on statistically, Team Bozeman's specific numbers are not shown. However, the chart below does show where the dealership outperformed or underperformed compared to the rest of the industry.

Where Team Bozeman Outperformed the Industry Average

Where Team Bozeman Outperformed the Industry Average	Motorcycle Industry Average
1. Salesperson asked for contact information.....	37%
2. Salesperson asked prospect's name.....	52%
3. Salesperson could answer product questions.....	69%
4. Prompt greeting by salesperson.....	72%
5. Salesperson provided enough info; but not too much.....	75%
6. Salesperson showed sincere appreciation for visit.....	80%
7. Positive first impression of dealership interior.....	88%

Where Team Bozeman Underperformed the Industry Average

Where Team Bozeman Underperformed the Industry Average	Motorcycle Industry Average
1. Salesperson didn't focus & narrow prospect's choices.....	78%*
2. Salesperson didn't describe product features and benefits.....	71%
3. Salesperson didn't ask open-ended questions to assess needs.....	70%
4. Salesperson didn't ask follow-up questions to clarify answers.....	70%
5. Salesperson didn't ask prospect's price range.....	42%
6. Salesperson didn't provide reasons to buy from this specific dealership.....	35%
7. Salesperson didn't ask whether anything was preventing the purchase.....	35%

*78% of the time salespeople do focus and narrow prospect's choices

Source: Pied Piper PSI

priced of a unit for what their budget is because we didn't bother to ask" what their budget is.

Gullett and his general manager are now discussing different ways to identify the shopper's budget earlier in the sales process. That way, the shopper can see if their budget aligns with their new unit hopes. If it doesn't, then it's up to the consumer to decide if it's worth spending the extra money for a different model or a higher-displacement engine.

"It throws the responsibility on him rather than on us," Gullett said. "I think we all feel it's up to us to try to fit his budget and that's really not our responsibility."

'AN EYE-OPENER'

Gullett said the findings on the price range question were "an eye-opener." He was also intrigued by the fact that his salespeople didn't try to close deals, according to the results of the shopping evaluations.

"We didn't ask for the sale, which surprised me because I thought we were doing a good job

of a consumer, asking for their contact information and showing sincere appreciation for the consumer's visit.

"We've moved to this store about three years ago and we came from a real hole in the wall so a lot of guys weren't really excited about having people at the (former) store," Gullett said, noting that's no longer the case.

The survey backed that statement up as the dealership finished above average in the shopper's positive first impression of the dealership's interior.

"I would do it again," Gullett said of the shopping evaluations, which measure approximately 50 shopper responses and compare them with the same-brand national averages and overall industry averages.

"I think this was a good thing for us to look at and say, 'you know what, maybe we better find out what the guy wants to spend first and then put him on a unit that fits his budget rather than put him on a unit and then try to make it fit his budget.'"

ABOUT THE PIED PIPER PROSPECT SATISFACTION INDEX

The 2007 Pied Piper Prospect Satisfaction Index Motorcycle Industry Study was conducted between November 2006 and January 2007 using shopper evaluations at 375 retail locations throughout the United States.

Pied Piper PSI allows manufacturers and individual retail locations to log onto a Web application, www.piedpiperpsi.com, to view real-time measurement and

benchmarking of shopping experience and salesmanship effectiveness. Retail locations might order additional shopper evaluations on the same site.

Results are shown for a multitude of specific areas of the sales process, allowing a manufacturer or a retail location to evaluate their performance compared to the national average for their industry, as well as the national average for brands they carry.

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Ehlert Publishing Group, Inc. is a subsidiary of Affinity Group, Inc., Ventura, California.

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Ehlert *Powersports Business* (USPS # 466-030) is published 16 times per year - once in January, February, March, May, June, August, October, November, and twice in April, July, September and December plus a special Market Data Book/Suppliers Directory in August - by Ehlert Publishing Group, Inc., 6420 Sycamore Lane N, Maple Grove, MN 55369, 763/383-4400. Periodicals postage paid at Maple Grove, MN 55311, Midland, MI 48642 and additional mailing offices.

POSTMASTER: Send address changes to Ehlert *Powersports Business*, P.O. Box 355, Mt. Morris, IL 61054-0355.

Subscription: Free to qualified members of the all-terrain vehicle, motorcycle, personal watercraft and snowmobile industries. All others: \$56 per year for U.S. residents; \$76 for Canadian residents (includes GST R126702034); \$96 for residents of other international countries. All paid subscriptions need to be paid in advance and in U.S. funds only.

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Printed in U.S.A.

