

Survey: Harley tops among industry retailers

BY NEIL PASCALE

EDITOR

Harley-Davidson dealerships have the most effective sales force and provide the best shopping experience among top motorcycle brands, according to what is believed to be the first survey of its kind in the power-sports industry.

Buell and Big Dog were the second-best performers in the 2007 Pied Piper Prospect Satisfaction Index, an industry report that was calculated after 375 shopper evaluations at dealerships across the United States. Victory, Ducati,

Suzuki and BMW also ranked above the industry average in the index. Manufacturers that fell below the industry average were not disclosed.

The survey of all Motorcycle Industry Council-member motorcycle-producing manufacturers provides a different measurement of the retail experience than other industry indexes, such as the J.D. Power and Associates' Motorcycle Competitive Information Study, which focuses on customer satisfaction after the bike's purchase.

"Customer satisfaction is hugely important in understanding how customers rate their purchasing experience and their ownership experience," said Fran O'Hagan, president of Pied Piper Management Co., the California-based management consulting company that conducted the report and runs a mystery shopping program for Ducati North America. "But it doesn't pay any attention to those shoppers who do not purchase.

COMING NEXT EDITION:

Powersports Business looks at how a Montana dealership fared against the industry average and the dealer principal's reactions to the findings.

"So why is that important? If you use the motor vehicle industry as an example, out of 100 people that walk through the door, only 10 to 25 of them buy the same day."

To determine how all consumers were treated at dealerships around the nation, the Prospect Satisfaction Index evaluated the shopping experience — did the customer have a pleasant experience? — and the effectiveness of the salesman, whether he mentioned accessories or extended warranties and if he asked for follow-up information.

Each of these retail benchmarks, along with dozens of others, were measured by shoppers, independent contractors who reported their findings to Pied

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RETAILERS

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Piper. That collective data found the following about the motorcycle industry's retail shopping experience:

- the salesperson asked for contact information only 37 percent of the time;
- the salesperson asked a prospect's name only 52 percent of the time;
- a shopper did not receive a prompt greeting by a salesperson almost 30 percent of the time;
- and in more than one third of the cases, the salesperson did not provide reasons to buy from a specific dealership.

"We find the pure percentage scores tend to be substantially lower for the motorcycle industry," said O'Hagan, whose company has done

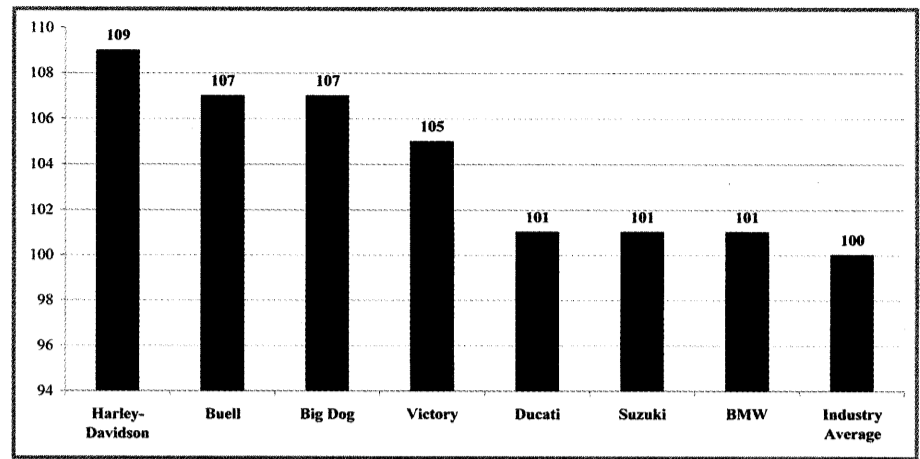
ABOUT THE INDEX

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 may 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.

2007 PIED PIPER PROSPECT SATISFACTION INDEX

U.S. Motorcycle Industry Study
Top Brands for Overall PSI



Source: 2007 Pied Piper Prospect Satisfaction Index Motorcycle Industry Study

retail research on the auto and RV industries. That data can't be specifically compared to the motorcycle index because the latter evaluation is much broader in scope.

Besides finding industry averages, the index also delved into the different retail performances that shoppers found with each brand.

Shoppers would go into a dealership and evaluate the retail experience for a specific motorcycle brand. Shoppers never "shopped" a dealership more than once and never for more than the one brand. The number of evaluations for each brand that led to the OEM's ultimate index score differed according to their number of retail locations and their quantity of sales.

Among the findings on the individual brands included:

- Harley-Davidson salespeople were more likely to ask for a shopper's name, to determine a shopper's price range, to determine if anything was preventing a purchase, to try to forward the sale, and to ask for a shopper's contact information;
- Ducati dealerships ranked highly for promoting accessories;
- Kawasaki dealerships ranked highly for promoting financing;
- Honda dealerships ranked highly for visible signage;
- Suzuki dealerships ranked highly for focusing and narrowing a shopper's choices, and;
- Victory dealerships ranked highly for offering a test ride.

A NEW APPROACH

The Prospect Satisfaction Index, O'Hagan was quick to point out, represents much more than just an expanded mystery shopping survey.

"The typical mystery shopping is a common sense check on low-hanging fruit. It's something obviously wrong with what's going on. To take something like that and apply it rigorously through statistics across the country and across the industry just wouldn't work."

The Prospect Satisfaction Index differs from the generic mystery shopping effort in two ways: in advance of the survey Pied Piper determined, through internal and external research, what questions were the most important to determine effective sales processes, and then those questions were put forth by a "shopper" that behaved like an average powersports consumer.

Knowing what retail practices to evaluate was especially key, O'Hagan said. Part of the process in determining which practices the shoppers would rate was to closely examine the sales process and all of its variables. Once the key variable retail practices were determined, Pied Piper worked to find appropriate shoppers. The independent contractors had to have the same demographic attributes of typical industry shoppers and they had to have a history of providing accurate retail observations on other projects, O'Hagan said.

O'Hagan said Pied Piper will be rolling the index out in other motor vehicle industries in the near future. **PSB**

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