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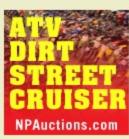
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May 3, 2010: Victory ranks No. 1 for customer service

PSB Blog

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By Karin Gelschus

Associate Editor

With more than a 40 percent decline in motorcycle retail sales in 2009, every customer counts. No one knows that more than salespeople, and they've proven it with their customer service scores.

One particular area the industry excelled in compared to last year was the sales staff asking for trade-ins. This happened 42 percent more often in 2010 than the previous year. Other areas that also saw double-digit improvements were the salespeople asking about factors preventing the purchase and the salesperson discussing features unique from the competition.

Those are the findings from the 2010 Pied Piper Prospect Satisfaction Index (PSI). PSI scores are derived from more than 2,000 hired, anonymous mystery shoppers who evaluate motorcycle dealerships nationwide. The study, conducted July 2009-April 2010, measures each brand's dealerships' effectiveness in turning motorcycle shoppers into motorcycle buyers.

Although the study found some areas of retail sales improvement for the industry, it also found there remains room for improvement in several areas for dealers.

The research company Pied Piper Management Co. charts retail sales practices in dealerships. The company also works with the auto, marine and RV industries.

Standings

The most effective brand in terms of customer service this year is Victory Motorcycles. The manufacturer ranks No. 1 with a PSI score of 107.

There were 10 areas, out of 58, measured that Victory did at least 20 percent more often than its competitors. For example, Victory's salespeople explained service and maintenance programs as well as associated costs 45 percent more often than the industry average.

Victory dealerships also offered test rides 44 percent more frequently than the industry average. Some other key sales techniques Victory did more often were asking for the sale, encouraging customers to sit on the bikes and giving compelling reasons to purchase.

Trailing Victory by one point in the brand standings are Harley-Davidson and Ducati.

Improvements

Eleven of the 14 manufacturers had higher PSI scores than the previous year. However, only six of the 14 manufacturers have improved their PSI scores each year since 2008.

Triumph was not only one of the six companies that improved its PSI score every year since 2008, but it also had the largest improvement over 2009. The company gained 7 percentage points for an average dealer PSI score of 104.

Close behind Triumph in terms of PSI score gains were Victory and Yamaha. Both companies had an increase of 5 points over the previous year.

Room for improvement

Despite improvements for many motorcycle manufacturers, there are some areas that have room for growth.

Pied Piper's PSI scores are based on 58 different actions the dealership does, says Fran O'Hagan, owner of Pied Piper Management Company. Eighty-four percent of those actions improved over 2009.

"That also means that 16 percent of them decreased," he said. "If I look at the ones that dropped the most, it's all about prospect involvement. Offering test rides dropped 25 percent. Offering brochures dropped 21 percent, involving prospect with visual aids dropped 19 percent, encouraging consumers to sit on bikes decreased 10 percent.

"But let me say that asking for the sale went up 16 percent. Or, ask me about factors preventing the purchase — that increased 23 percent. The simple sales behavior of asking for the sale and trying to sell the bikes improved over the past year, but the actual behaviors that do sell went backward."

On average for the industry, salespeople asked for contact information only 48 percent of the time. Even worse, staff offered compelling reasons to buy only 35 percent of the time.

While there is room for improvement in those areas, O'Hagan says it's vital to improve prospect involvement.

"If I'm trying to sell you a motorcycle and I just lecture you and tell you all about it, if I'm just looking at you and talking to you, that's much less effective than involving you," he said. "That's completely different from me handing you a cylinder or asking you to sit on the bike. That's so much more effective in selling a motorcycle."