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50 years of MALCOLM SMITH MOTORSPORTS

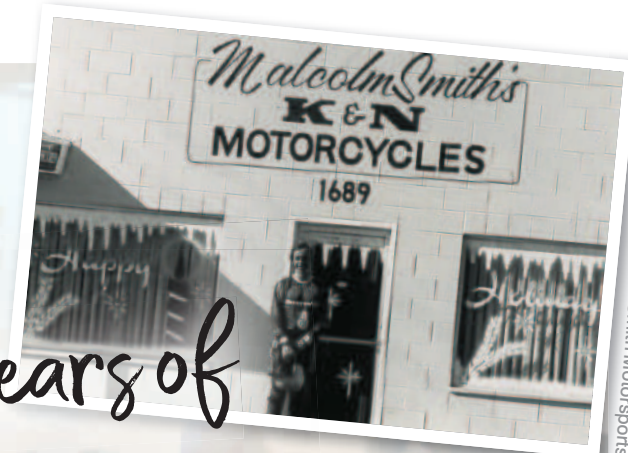


Photo courtesy of Malcolm Smith Motorsports

Dealership celebrates anniversary with party, museum opening

BY LIZ KEENER
SENIOR EDITOR

“Fifty years is a very long time,” Alexander Smith exclaimed at the 50th anniversary party for Malcolm Smith Motorsports.

But for his father, the founder of the dealership, the time moved at a more rapid pace. “Fifty years has gone way too fast. Alexander said 50 years takes a long time. It really doesn’t; it goes real quick,” Malcolm Smith countered.

The Smith family welcomed a couple hundred friends, employees, former employees and business partners to the Malcolm Smith Motor-

sports 50 Legendary Years anniversary gala on Aug. 18, as they celebrated and unveiled the new Malcolm Smith Museum. *Powersports Business* gladly accepted its invitation.

“When we talked about having a 50-year celebration, I wanted to invite 100 good friends and people who helped me along the way in life. There seems to be a lot more than 100 here tonight. Some of the people I haven’t seen in a long time; some of the people I do business with; and some of the people worked for me for a long time and don’t anymore, retired. I’m glad to know all of you, and it’s really, actually humbling to be here,” Malcolm Smith said in an address to those in attendance.

BUILDING THE DEALERSHIP

Malcolm Smith Motorsports started from humble beginnings. Smith, who owned his first scooter at the age of 13 and his first motorcycle

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Exhaustive web leads study released

Pied Piper: BMW dealers have best responses to web leads

BY DAVE McMAHON
EDITOR IN CHIEF

The good news? A recent study shows that U.S. motorcycle dealerships responded to customer web inquiries within 24 hours 91 percent of the time in 2017. Back in 2013 that same measurement was 72 percent of the time, and in 2008 it was only 30 percent of the time. However, less good news is the fact that about half of the time, today’s motorcycle customers receive only an automated response acknowledging their inquiry, and then receive no

further contact from the dealership.

For the past 10 years, Monterey, California-based consultancy Pied Piper has provided Prospect Satisfaction Index (PSI) industry studies to measure how effectively each street-legal motorcycle brand’s dealers sell in-person. More recently, Pied Piper has also measured how effectively each brand’s dealers respond to customer inquiries received through dealership websites. For its 2017 study measuring web response, Pied Piper sent customer inquiries through the individual websites of 2,197 motorcycle dealerships, then evaluated how the dealerships responded over the next 24 hours.

According to the study, dealers selling BMW finished at the top of the industry, with a score of 36. However,

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Source: 2017 Pied Piper PSI® - ILE® U.S. Motorcycle Industry Benchmarking Study



A Power 50 dealership group has added a pre-owned store to increase sales.

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Web leads: Update your auto response – and call!

Pied Piper report shows half of customers receive no personal reply within 24 hours

BMW motorcycle dealerships ranked highest in the 2017 Pied Piper PSI Internet Lead Effectiveness (ILE) Motorcycle Industry Study, which measured how dealerships responded to customer inquiries received through dealership websites. Study rankings by brand were determined by the Pied Piper PSI process, which ties “mystery shopping” measurement and scoring to dealership sales success.

Pied Piper sent customer inquiries through the individual websites of 2,197 motorcycle dealerships, asking a question about a vehicle in inventory, and providing a contact name, email address and local telephone number. Pied Piper then evaluated how the dealerships responded over the next 24 hours. Nineteen different measurements generated a dealership’s PSI-ILE score.

Although the motorcycle industry average PSI-ILE scores were similar in 2016 and 2017, behind the scenes there were substantial changes in behavior. Industrywide, dealerships were more likely in 2017 to respond

in any way, which climbed to 91 percent of the time on average, up from 89 percent in 2016. Personal responses (disregarding automated responses) on average occurred 46 percent of the time, up from 41 percent in 2016. Salespeople were also more likely to answer a customer’s question, which increased from 27 percent of the time in 2016 to 37 percent of the time in 2017, and were more likely to attempt to contact a customer by telephone, which increased from 45 percent of the time in 2016 to 48 percent of the time in 2017.

However, the motorcycle industry remains reliant on auto-responder messages sent by customer relationship management (CRM) software, and on average, the quality of automated responses deteriorated from 2016 to ‘17.

Simple, generic automated text responses were more common in 2017, often unchanged from the CRM system’s sample template, such as, “Thank you for contacting our dealership; a salesperson will be back in touch soon.”

In 2017, 28 percent of these automated dealer emails failed to identify the name of the dealership (v. 9 percent in 2016), and 60 percent failed to identify the dealership’s physical address (v. 49 percent in 2016).

These auto-responder messages are impor-

tant to the motorcycle industry, since 45 percent of the time on average, an automated response is the only reply a motorcycle shopper receives. Use of CRM software that generates automated responses has substantially improved motorcycle industry response to web inquiries compared to five or 10 years ago.

In 2008, the typical online motorcycle shopper received any kind of reply within 24 hours only 30 percent of the time, compared to 72 percent of the time in 2013, and 91 percent of the time in 2017.

Even sending an email message does not ensure that a customer will receive it. In 2017, more than one-third of motorcycle dealer email responses on average were flagged as “spam” by customer email providers and placed into the customer’s junk mail folder.

Pied Piper has found two solutions to avoid getting lost in junk mail: first, many dealers phone the customer as soon as they send an email, leaving a voicemail message. Secondly, dealers who mystery shop their own web response process can report junk mail problems to their CRM provider, or take their own steps to improve email content to avoid getting categorized as junk mail.

Within the industry, the study found substantial differences in performance by brand:

■ Responded in any way (including automated responses) within 24 hours:

Most likely: Polaris, Harley-Davidson, Indian, Triumph, BMW (91 percent of the time)

Least likely: Moto Guzzi, KTM (less than 85 percent of the time)

■ Provided a personal response within 24 hours:

Most likely: BMW (60 percent)

Least likely: Suzuki, Can-Am, Polaris, Triumph (less than 50 percent)

■ Provided a personal response within 30 minutes:

Most likely: Harley-Davidson, Kawasaki, Honda (15 percent)

Least likely: KTM, Zero, Moto-Guzzi, Yamaha (less than 10 percent)

■ Answered the customer’s specific question within 24 hours:

Most likely: BMW (50 percent)

Least likely: Suzuki, Can-Am, Aprilia, Yamaha, Honda (less than 35 percent)

■ Attempted to contact web customer by phone within 24 hours:

Most likely: Harley-Davidson, Indian (50 percent)

Least likely: Moto-Guzzi, Ducati, Husqvarna, Can-Am (less than 25 percent). **PSB**



BMW vice president Michael Peyton, left, accepts Pied Piper’s trophy from Fran O’Hagan on behalf of BMW’s dealers, who ranked first in the study of how dealers respond to web inquiries. Photos courtesy of Pied Piper

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■ CONTINUED FROM COVER

the maximum PSI-ILE score is 100, so while a 36 puts BMW at the top of the motorcycle industry, it also shows how much room remains for improvement. Pied Piper tells us that about one in six dealerships nationwide scores 60 or higher, but more than half of the motorcycle dealerships score below 25. Harley-Davidson and Indian dealers completed the top-three scoring brands, while Moto Guzzi, KTM and Aprilia were the three lowest scoring brands.

The study showed large differences between brands for some sales behaviors. For example, BMW dealerships answered a customer’s specific question more than 50 percent of the time on average, while dealerships selling Suzuki, Can-Am and Aprilia answered customer questions less than 30 percent of the time. Harley-Davidson and Indian dealerships attempted to telephone web customers more than 50 percent of the time, while Moto Guzzi, Ducati, Husqvarna and Can-Am

dealerships attempted a phone call less than 25 percent of the time.

Dealers who have figured out this part of the business say all that it took to improve was paying attention to their processes. Michael Scott owns Scott Powersports near Allentown, Pennsylvania. The store sells Yamaha, Kawasaki, Honda and KTM, and earns PSI-ILE scores in the 60s. Scott says that in the past his dealership was as guilty as everyone else at sending out CRM auto-responder emails and then not following up. That changed when he and his team committed to responding personally to every lead every day, and tracking their performance.

“Someone measuring it and reporting back was the key. Plus, we discovered that (CRM) system problems were the issue as much as salespeople not doing their job,” said Scott.

When asked for simple ideas to use to improve web responses, Pied Piper CEO Fran O’Hagan, suggested first reviewing the auto-response template used by a dealership’s CRM system.

“We have found that almost one-third of

motorcycle auto-responses fail to mention the name of the dealership, or any other contact information,” he said.

These auto-responder messages are critical to the motorcycle industry since about half of today’s motorcycle shoppers receive only an automated response and no other contact. Ideally, O’Hagan suggests customizing the auto-response template to share unique reasons why a customer should visit the dealership, calling it a “print ad to sell the dealership.”

O’Hagan’s second suggestion was: “Don’t leave the dealership at the end of the day with customers locked-up inside your store, even if they are web customers. Someone at the dealership must take responsibility for responding

personally to customer web inquiries at least once each day.”

What is the upside from improving the way customer web inquiries are handled? Online is where the new customers are. Charles Berthon is the general manager of Long Beach BMW Motorcycles in California. His store also achieves PSI-ILE scores in the 60s.

According to Berthon, 20 to 30 percent of his new customers first contact his dealership online.

“The motorcycle business has changed, and the industry is slow to embrace change,” Berthon said. “We were used to waiting for a guy to walk through the front door, and we just can’t count on that anymore.” **PSB**



Long Beach BMW Motorcycles ranked near the top of the dealerships in the study, achieving a PSI-ILE score in the 60s.



Scott Powersports in Pennsylvania has seen sales success after deciding to reply to every web inquiry, every day, on a personal level.