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## First quarter sales bring optimism

*Several dealers report positive trends in traffic, sales*

BY DAVE McMAHON

■ SENIOR EDITOR

Dealers throughout the country expressed a range of results in the first quarter. Here's a look at what a few dealerships experienced from January through March.

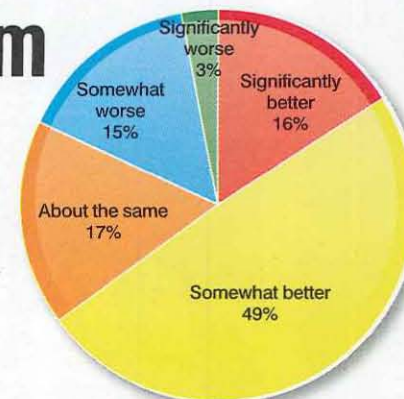
### 37 PERCENT INCREASE

PJ's Triumph Ducati Husqvarna in Albuquerque, N.M., saw a total gross increase of 37 percent during the first quarter as compared to the first quarter of 2010.

Dealership owner PJ LaMariana attributed the rise in sales to a strong December that never let off the gas pedal.

"We do have a good amount of new product coming from the manufacturer, but we also got a nice early spring. Pretty much from March 1,

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How would you characterize customer buying interest over the last three months compared to last year?

Source: Powersports Business and RBC Capital Markets



PSB: FOCUS E-commerce

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### Racing fast

UWP-USBA Tour gains traction, attention and sponsorships.

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### Big anniversary

Arctic Cat plans a huge celebration in Minnesota for its 50th anniversary.

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### Demo site

A dealer launches a new program and corresponding website for test rides, extended demos and rentals.

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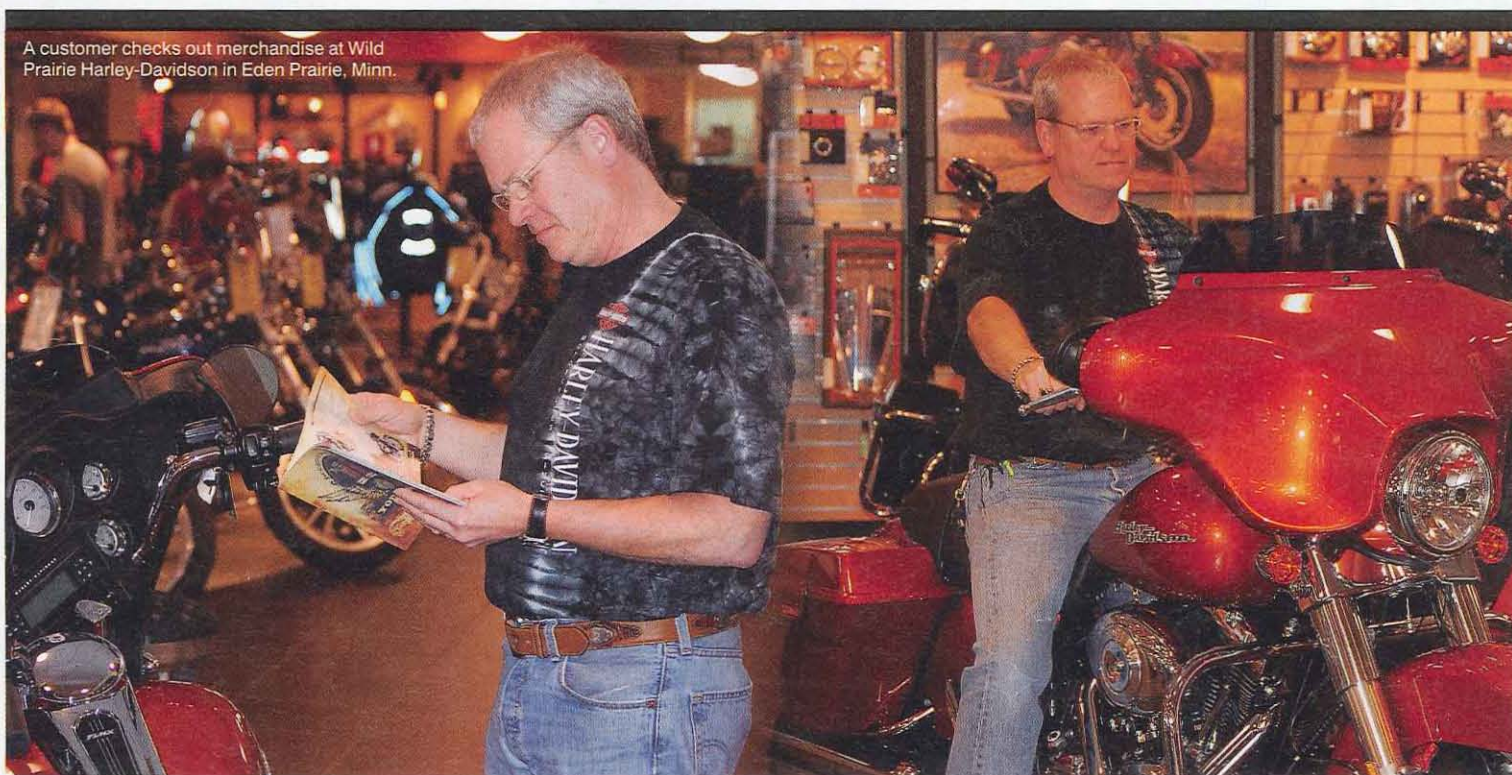
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A customer checks out merchandise at Wild Prairie Harley-Davidson in Eden Prairie, Minn.

## TOUCHED by a dealer

*Seal the deal with multiple contacts with customers*

BY LIZ HOCHSTEDLER

■ ASSOCIATE EDITOR

You've seen it many times before. A customer comes into your dealership seemingly ready to buy. He's been riding for years and puts a lot of miles on his bike each year. His current bike is a decade old, and he has a new model in mind and has completed hours of research on it. He's saved for the down payment, and he's excited about the unit you have on the floor. Yet, he walks away without buying.

What went wrong? Quite possibly nothing. The process this rider is following is common

in the industry. On average, a dealership has 13-15 minor touches and five to seven substantial touches with a customer before a purchase is made, according to industry experts.

Buying a motorcycle or any powersports equipment is a big commitment with a lot of money involved, and for most customers, a decision process occurs that might take an extended period of time. In the meantime, dealerships have to work to make sure they're reaching out to the customer and encouraging the buy in order to make an eventual sale.

### TOUCHES

A touch is any interaction a customer has with a dealership, whether it's the customer reaching out to the dealer or vice versa.

"A touch is basically anything [that gets the customer thinking about the purchase]," explained Craig Brown, an industry veteran and former vice president of business development for V-Sept Inc.

Initial touches that pique a customer's interest in buying would include viewing billboards, websites, social media sites, TV commercials, print or Web ads or marketing brochures. In fact, a customer's view of the dealership's exterior signage is considered a touch, along with other such instances in which a customer is learning about the general lifestyle or a specific dealership themselves without interacting with a person.

"I think a lot of it is just driving by the dealership," Brown said. "I think that's what puts buying

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## TOUCHES

■ CONTINUED FROM COVER

a model in someone's mind."

After a customer becomes interested enough to make contact with the dealership, the touches become interactive and turn to the hands of dealership personnel.

"Everything gets set up with the initial conversation with the customer and the salesperson," Brown said, adding that the first touch with the dealership is the most important.

If the first substantial touch is through the phone or dealership website, the second step would be to bring the customer into the dealership. After the customer has visited the dealership and left without purchase, it's important to follow up with the customer.

Bob McCann, ARI Network Services' director of education, suggests the follow-up begin as soon as the customer leaves the store.

"I would suggest they email the customer right away, so by the time they get home, there's an email in their inbox that says thanks for coming by and looking at our selection," he said.

Next, he recommends the salesperson make a phone call on the day following the visit.

"Those are two touches automatically — boom, boom," he said.

Third, McCann says, the sales manager should mail a letter to the prospective customer's home.

"You've got three touch points without even trying hard; it's just natural," he said.

Touches from a dealership come in a variety of forms. The most popular follow-ups are phone calls, emails and direct mail. McCann suggests that dealers mix up and use all of those mechanisms. Text messages and messages on social networking

sites, such as Facebook and Twitter, are also considered touches from a dealership.

"All of your social media would be considered touches, and they would probably be more important than the drive-by touches," Brown said.

Traffic Log Pro, a Web-based customer relationship management application, implements a 300 percent rule and asks its dealers to make three outbound calls to fresh prospects. When this occurs, 6 percent of prospects call the dealership back, 12 percent come back into the dealership and 8 percent purchase.

The average closing rate industry-wide is 8-12 percent, so in order to sell 10 bikes, an average salesperson would have to follow up with 100 prospects, according to ADP Lightspeed, which specializes in powersports dealer and customer relationship management systems.

The number of touches needed can vary. An ADP survey of 50 Harley-Davidson dealers found that Harley dealers on average have to follow up with a combination of phone call, appointments and emails five times after a customer's initial visit to a dealership before a purchase is made. However, the 50 metric dealers polled by ADP reported they only needed an average of three follow-ups to make a sale.

How long the process takes also depends on where the customer sits emotionally and financially with the decision.

"There are going to be some people that are going to go 20-plus with touches and some that are able to do it on the first [touch]," McCann said.

Brown says customers need constant follow-up because they're making a serious price and lifestyle commitment when they buy a motorcycle.

"I think people sort of have to ease themselves into the decision," he said.

## MAKING AN IMPACT

Though none of the experts could come up with a surefire way to significantly close the gap on the number of touches needed to make a sale, they all agreed that the quality of touches can make a difference between continuing the relationship that leads to a sale and scaring a customer away.

In order to make those minor initial touches, Brown suggests dealers broaden their marketing message, spreading their name to a number of places where a customer might see it, including billboards, Facebook, print and online ads and through contact such as direct mail and email to prospective customers. McCann also recommends that dealers attend consumer trade shows to spread awareness about their business.

When a customer first comes into contact with a dealership, it's important that the person handling the customer is professional, said Tad Kilgore, general manager of Traffic Log Pro. A manager or someone professional enough to answer any question that could come up should answer the phone, so those making inbound calls are more likely to stop in, he said. Also, he recommends managers follow up with Web leads to ensure the customer's needs are met.

Once a customer becomes a quality prospect, it's important to continue to proceed with caution. McCann suggests all customer information be placed into a database and that the dealership enact a follow-up process.

"I'd get my group together and say, 'Guys, what can we do before, during and after a sale? How many touch points can we put in that are automatic?'" he said.

Though many follow-ups are standard, it's also important to be mindful of the individual customer. For example, if a rider is interested in

a bike but says he cannot afford to buy until his bathroom remodel is complete, a follow-up might not be necessary for a few weeks, McCann said.

"I like to have the salespeople have a say on what these touch points are and not have the manager say, 'We're going to have these touch points with each customer no matter what,'" McCann explained. "Salespeople, more than half of them, are seasoned enough to know when the next touch point should be."

When a customer is interacting with the dealership, it's essential that all the information the customer wants is provided — including price.

"When the customer raises their hand, and says, 'Hey, I'm interested,' we want to make sure we're answering their questions directly," McCann said.

When touches are made, they don't necessarily have to relate to the sale. A prospect could be interested in an upcoming event, a new model release or local riding information. Dealers can turn the prospect on to the lifestyle and later, the buy, by providing more than a constant sales message.

"You can turn up reasons to buy today in between those value-adds," McCann said.

Test rides can also close deals.

Some customers might be quick to purchase a bike because of a good deal, the right bike being available or because of personal timing. But for most, it takes work to close a sale. Quality touches and consistent follow-up go along way in securing a prospect as a buyer.

"Dealers have got to know that once and done is not going to get it done today," McCann said. "No matter which channel that they come through — whether they walk into the dealership, phone or email — once is not going to get it done." **PSB**