

# Rural Lifestyle Dealer

## *Increasing Your UTV Sales Volume 1*

### *Contents*

The UTV Buying Experience .....	2
Where is the UTV Market Headed? .....	7
Top 10 Popular UTV Accessories .....	8
Staying Safe.....	9

Sponsored By:



**AMERICAN  
LANDMASTER®**

*Making Your Life Easier*

*American Landmaster UTVs are built from the ground up in Columbia City, Ind. We offer 13 models to make your life easier, including 2WD, 4WD, electric and crew models, plus Fun Karts. American Landmaster has a 112-point inspection process, backed up by an industry leading, bumper-to-bumper warranty. By working with domestic partners, we can keep lead times and freight costs down and pass those savings on to you. American Landmaster is AMERICAN BUILT AND AMERICAN OWNED, because with our name, how could we not be?*

## The UTV Buying Experience: Which Dealerships Do It Better & Why

See what selling behaviors resonate with customers and changes you can make today to stand apart in the competitive UTV market.

By Lynn Marcinkowski Woolf

The first-of-its-kind prospect satisfaction index (PSI) for the U.S. UTV industry was recently released. Pied Piper Management Co. conducted the survey, which measured the treatment of UTV shoppers.

The company develops and runs measurement/improvement programs to maximize the performance of retail networks. The Pied Piper survey uncovered much

more than rankings, however. Dealers can use the results as a road map for increasing satisfaction among their own customers. (See how the manufacturers ranked in the chart on page 4.)

Fran O'Hagan, Pied Piper president and CEO, says the process of selling and buying UTVs has distinct challenges related to the converging of the outdoor power equipment (OPE) and powersports markets. "It's not always easy to be a UTV customer. Because the UTV market is still young, strong dealerships with skilled salespeople are an important competitive advantage for UTV manufacturers," he says. O'Hagan shares more about the survey results in this conversation.

**Rural Lifestyle Dealer:** This is Pied Piper's first experience researching this segment. What were your overall impressions of the OPE and powersports markets?

**Fran O'Hagan:** The UTV market overlaps two well-established industries that previously did not compete with each other for customers: powersports and OPE. Previously, the powersports industry focused mostly on leisure, while the OPE industry focused mostly on work. Today, for the UTV market, those boundaries are disappearing.



**Fran O'Hagan is president & CEO of Pied Piper Management Co.** (Photo Courtesy Of: Pied Piper Management Co.)

What I found fascinating is the approach that the OPE brands take in selling products is very, very different from the approach the powersports industry takes. I would argue that the OPE dealers think of their customers as people who they will have a long relationship with. They will sell tens of thousands of dollars of products to this person over many years, and service is just as important as selling the unit.

That is a very different approach from how a powersports dealer operates. Historically, the powersports dealers have thought of each sale as its own entity, almost to the point where the customer isn't important.

**RLD:** Why do you use mystery shoppers as opposed to after-purchase surveys?

**O'Hagan:** We found that after-purchase surveys were very misleading. Sales customers who purchased voted with their wallet. They must have liked the experience enough to make the purchase. As a result, sales customers give very high grades to their experience, whereas we know that it's really only 1 or 2 customers out of 10 that buy on the spot. The other 8 or 9 walk back out again.

Also, when a customer walks into a dealership, they are focused on, "Do I buy this model or that model? Do I get this color or that color? Am I going to finance this or am I going to buy? Is this dealership going to take my trade? How long is this going to take?" The customer is not at all focused on things, such as how effectively the salesperson is building rapport or fact-finding.

**RLD:** What kind of information did your mystery shoppers gather?

**O'Hagan:** The survey ties sales behaviors to sales success. We're able to say that dealers who outperform other dealers tend to exhibit certain behaviors. If we do this over and over again with hundreds of different dealerships, all of a sudden the factual measurements that are important bubble up to the top. That leaves us with some quantity of behaviors to measure and for UTVs, it's a little over 60.

We use mystery shoppers to generate PSI measurements, but we're not at all interested in the mystery

## About the Study

**Research Firm:** Pied Piper Management Co. was founded in 2003 and is based in Monterey, Calif. The company develops and runs measurement/improvement programs to maximize the performance of retail networks.

**Scope:** The survey was conducted between July 2017 and April 2018 using 1,168 hired, anonymous "mystery shoppers" at dealerships located throughout the U.S.

**Measurements:** The survey looked at 60 different measurements were weighted to generate a score between 50 and 150. This was the first year for the survey, so the industry average was set at 100.

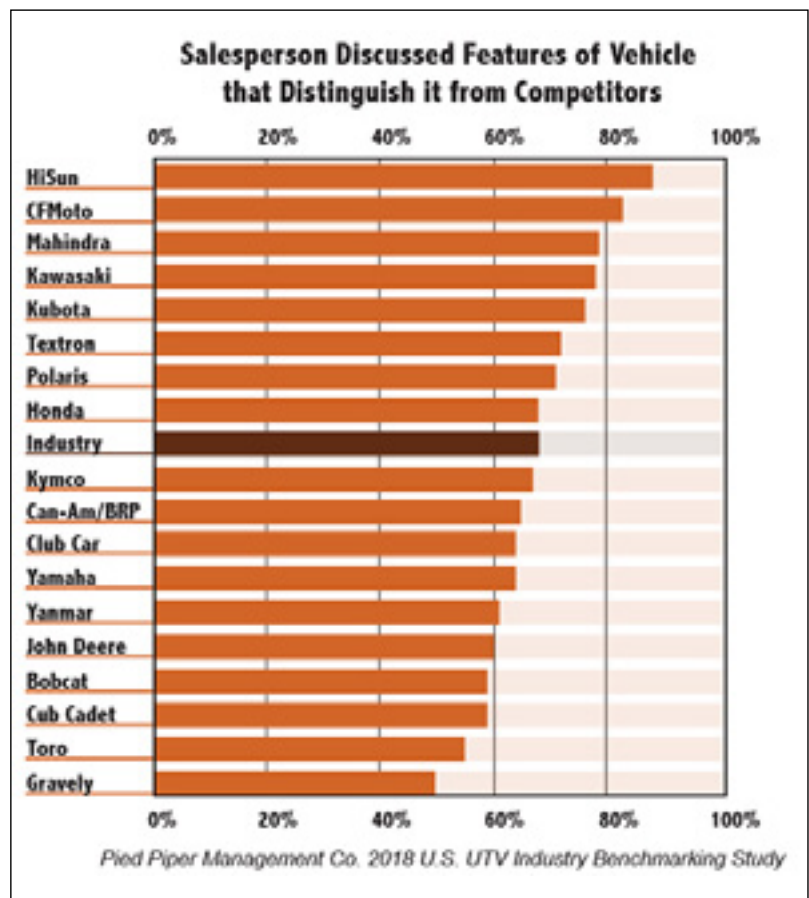
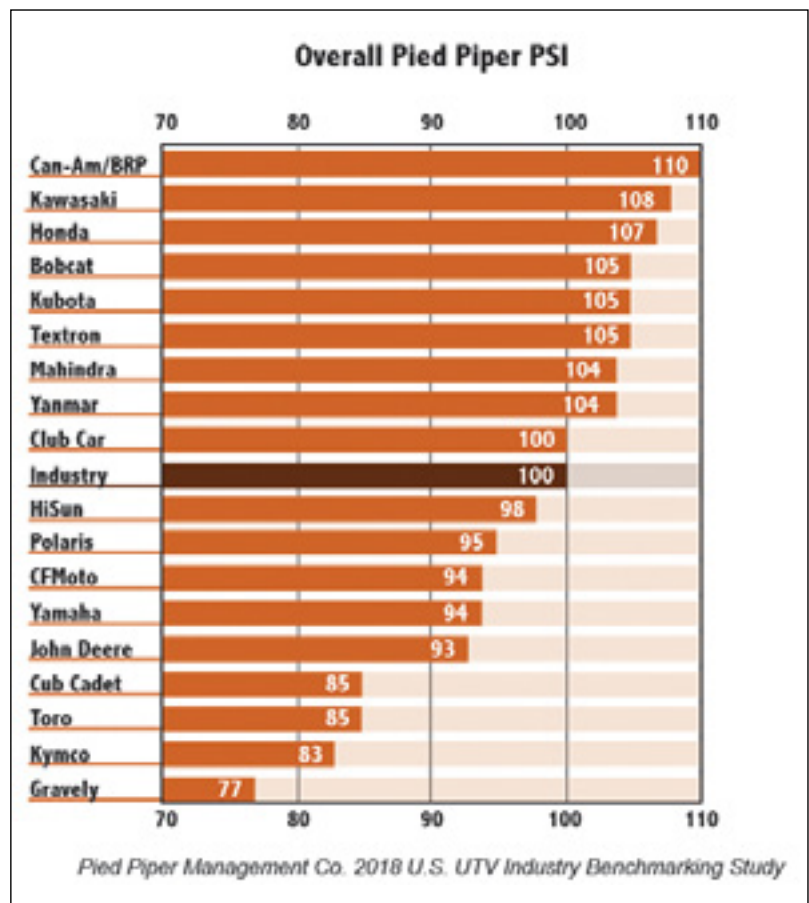
shopper's opinion. To us, a mystery shopper is just an actor going through the motions, who is measuring whether certain behavior happened or not.

**RLD:** Why do you think it is difficult to be a UTV customer today?

**O'Hagan:** Some products are very easy to research. If you want to buy a car, there are third-party websites that analyze cars exhaustively. If you figure out you want a compact sport utility that costs between \$20,000 and \$30,000, third-party websites will pop up and show you four to consider and why.

That is not the case with the UTV market. There are some brands that sell UTVs very well and for others, UTVs are an afterthought. Their primary products are something else, so it's difficult to find product information. What's more, it can be difficult or even misleading to figure out which of their dealerships sell UTVs. You go to the manufacturer's website to find the closest UTV dealer and it might not show that info. And even if it does, if you call that dealer, you're likely to hear, "Oh, we don't carry UTVs."

Our advice to the manufacturer is that the retailers need a very simple sales process in writing. I'm talking maybe 3-5 steps, something that's easy for



salespeople to remember. Here is an example to follow.

1. Build rapport and sell yourself. Make a positive first impression. Ideally, strike up a conversation and avoid asking a question such as, “How can I help you?” to which the customer can answer, “I’m just looking.”

2. Ask about the customer; sell the dealership. Learn why the customer is in your dealership. Confirm that the customer has come to the right place.

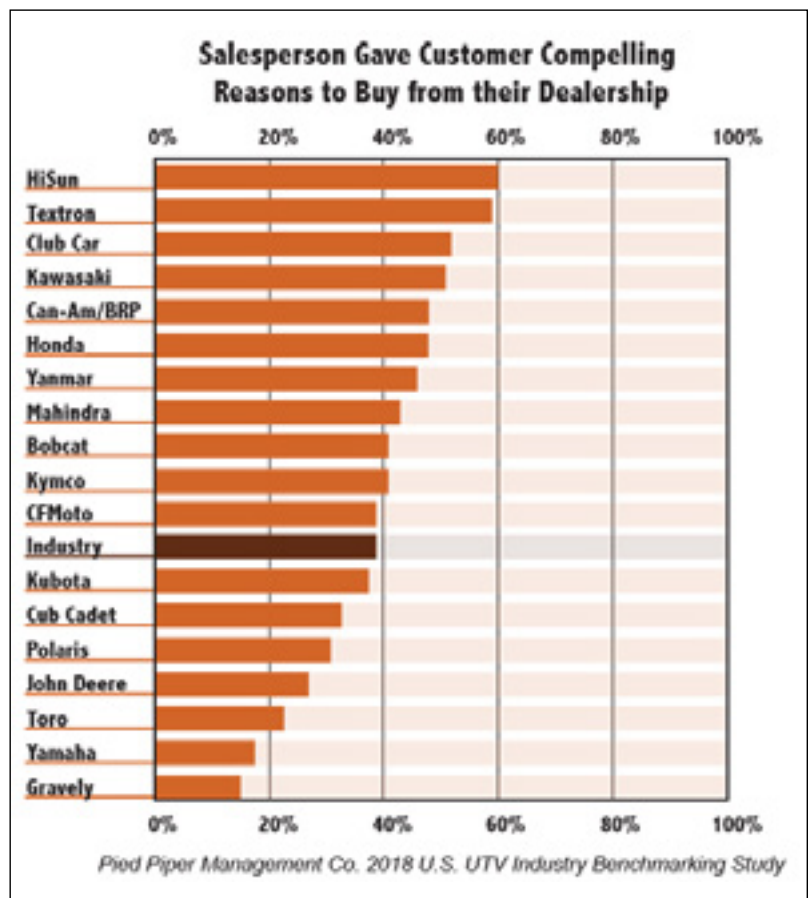
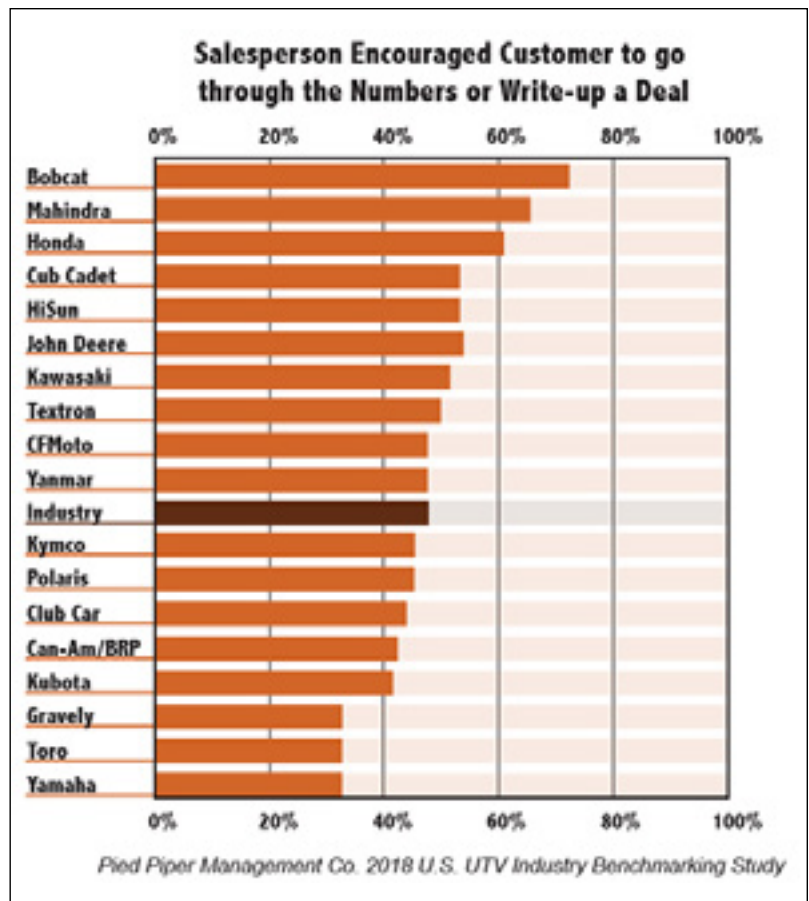
3. Involve the customer; sell the product. Do all you can to involve the customer rather than just talking at them. Have them sit in a vehicle, take it for a test drive, and point out specific relevant features and benefits.

4. Move from learning to buying; ask for the sale. Suggest sitting down at a desk and going through the numbers. Pave the way for the customer to say “yes.”

5. Get contact information and follow up. About 8 in 10 customers will not buy on the spot, but they will buy later and will influence others who will buy.

(See the charts to see how the brands scored on various sales behaviors.)

**RLD:** What about dealerships that sell multiple brands. What did your survey uncover?

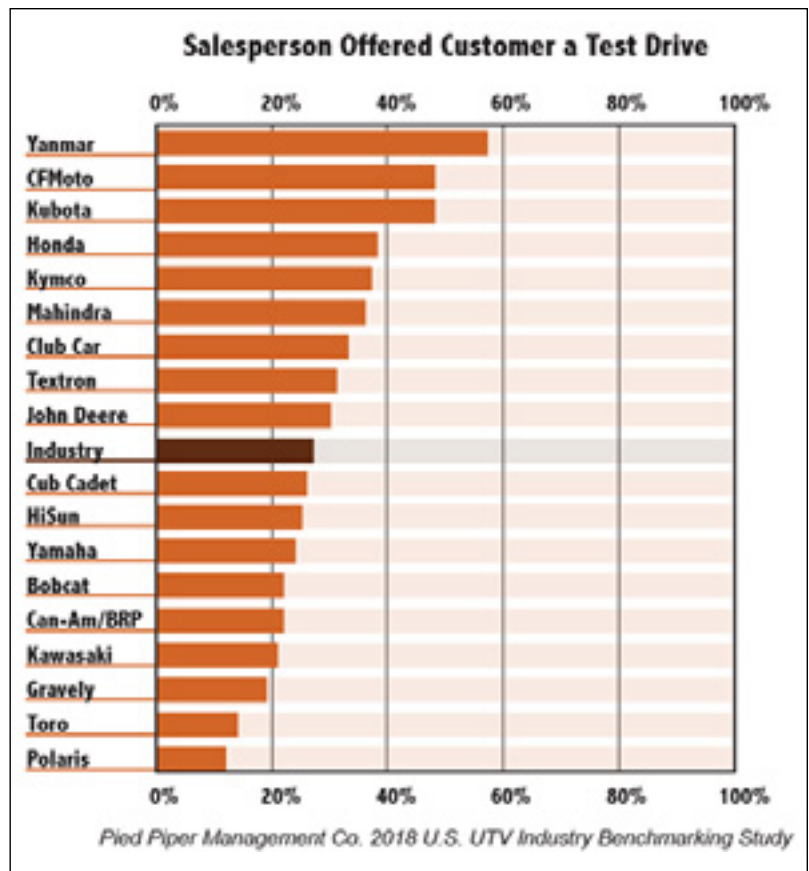


**O'Hagan:** One thing we find fascinating is what happens when a customer visits a multi-line dealership, asking about a specific brand and a salesperson says, "Oh, that's interesting, but have you considered this brand instead?" For every brand, we measure how often salespeople pitch a different brand instead. For the UTV market, the math is all over the place.

We don't allow our mystery shoppers to go down that route, however, but we make a note of it.

**RLD:** Can dealers use your tools?

**O'Hagan:** They can. Our business is helping brands and manufacturers, but almost 15 years ago, dealers began contacting us. We created an application where they can order PSI mystery shoppers online. **RLD**



## Where is the UTV Market Headed?

By Lynn Marcinkowski Woolf

Greg Boeder, senior partner with Power Products Marketing, outlines the trends for the different segments within the utility vehicle category: pure utility vehicle (PUV); utility crossover vehicle (UCV); recreational utility vehicle (RUV); sport recreational vehicle (SRV); and super sport vehicle (SSV).

“According to our research, the traditional PUVs appear to be losing share to UCVs. It seems a growing number of rural residents, farmers and ranchers want more speed out of their work vehicles and are willing to pay more to get it,” Boeder says.

“We classify PUVs as speed-governed (25 mph), 2-6 passenger vehicles, typically equipped with large cargo areas, swing arm rear suspensions, 2WD or 4WD, and either bench or bucket seats. PUVs are still a sizable category in the consumer market.

“UCVs also offer 2-6 passenger seating and large cargo areas, though they are unlike PUVs in that they are typically equipped with independent rear suspension and have top speeds of 44-53 mph. UCVs retain mostly utility styling and, overall, this higher top speed segment has been gaining significant share over the last 4 years. Most of the growth has been at the expense of the slower running PUVs. UCVs are the largest of the five consumer categories we track, comprising nearly 40% of the total consumer sales.

“We track three types of purpose-built recreational UTVs. Recreational and sport recreational vehicles both account for mid-single digit percent of the consumer market. These two segments are clearly losing share to high-end and super-sport vehicles, the large displacement ‘go fast’ segment of the market.”

Boeder and Dave Crocker, also a senior partner with Power Products Marketing, offer an outlook on ATV opportunities.

“The ATV market according to the Motorcycle Industry Council was down, though less than 1%. The non-reporting ATV market, representing many Asian suppliers with youth and small displacement ATVs was much stronger, with sales up over 15%. While many of these non-reporting ATVs are sold online, most of the issues related to emissions and poor aftermarket service have been addressed by suppliers, making them a possible option for dealers without a well-known power sports brand,” Boeder says.

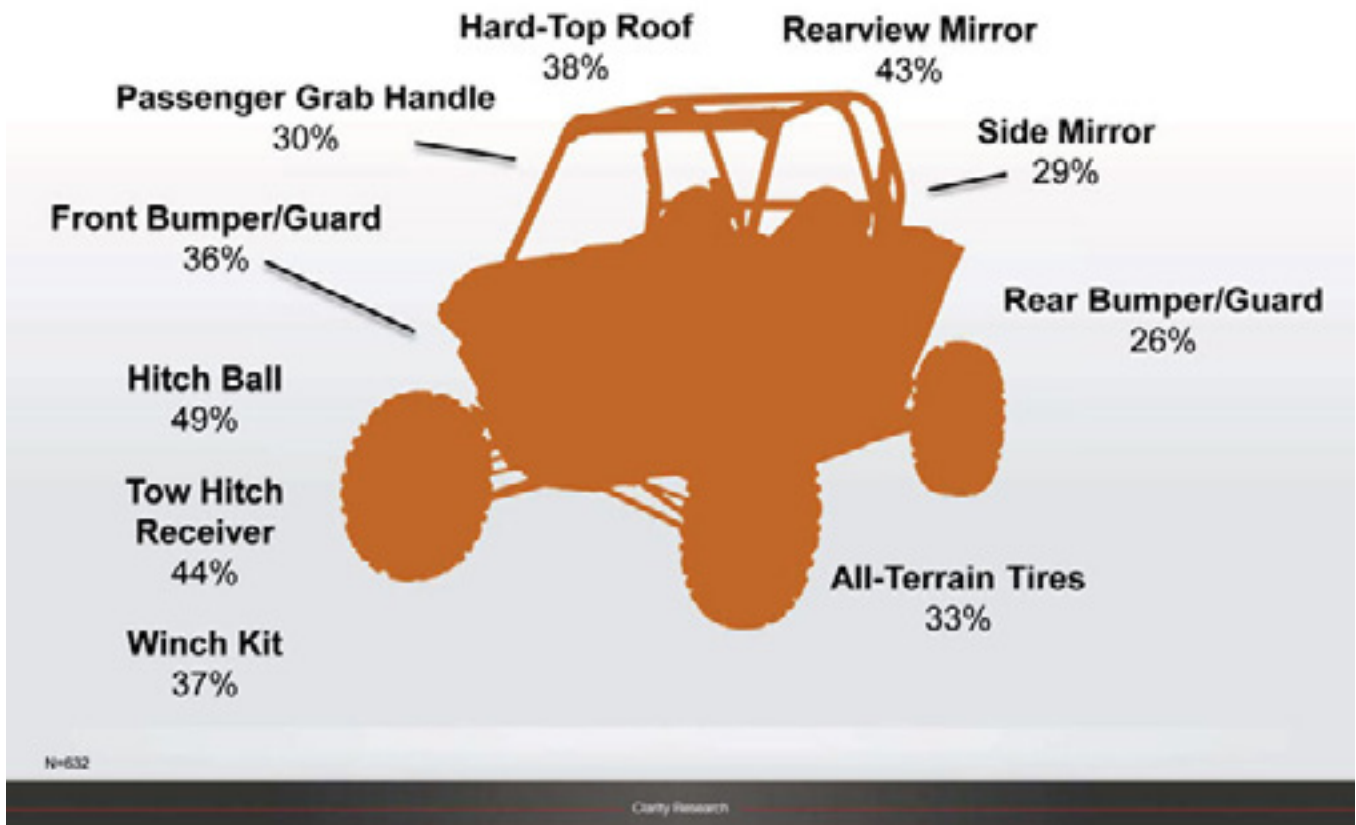
“We continue to advise dealers to be careful about who they select. Do your homework and look at where the brand is sold,” Crocker says. For instance, you’ll face tough competition if larger retailers, like Wal-Mart, are carrying the brand.

Crocker also says rural lifestyle dealers need to watch the economy. “A lot of power sports dealerships are treading cautiously. They’re watching their inventory management and availability of financing. Will customers have the financial standing to be able to afford these machines?” Crocker says. **RLD**

### Dealer Takeaways

- Accessories offer good margins. Think “tasks, comfort and seasonal needs” when recommending add-on components.
- Customers want to be able to use their vehicles right away, so you may lose sales if you don’t have the models or accessories in stock.
- Consider displaying a unit that is loaded with accessories to show customers all the possibilities.

### Top 10 Popular Accessories





## *Staying Safe*

---

The Recreational Off-Highway Vehicle Assn. has developed these safety rules. Consider sharing them with potential and new UTV and ATV owners.

- Always fasten your seat belt, wear a helmet and other protective gear and keep all parts of your body inside the recreational off-highway vehicle (ROV).
- Avoid paved surfaces. ROVs are designed to be operated off-highway.
- Drive only in designated areas, at a safe speed, and use care when turning and crossing slopes.
- Never drive or ride under the influence of alcohol or drugs.
- Operators must be at least 16 years or older and have a valid driver's license. ROVs are not toys.
- Never carry more passengers than the ROV is designed for, and never allow a passenger who is too small to sit in a passenger seat to ride in the ROV.
- Read and follow the operator's manual and warning labels.
- Take a hands-on ROV Basic Driver Course and the free online E-Course. Visit [rohva.org](http://rohva.org) or call 866-267-2751

# Rural Lifestyle **Dealer**

---

P.O Box 624 • Brookfield, Wisconsin • Phone: 262/782-4480 • Fax: 262/782-1252 • [www.rurallifestyledealer.com](http://www.rurallifestyledealer.com)  
Published and copyrighted 2018 by Lessiter Media,  
16655 W. Wisconsin Ave, Brookfield WI 53005.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording or any information storage or retrieval system, without written permission from the publisher.