

2020 MOTORCYCLE BUYING TRENDS

WHO'S BUYING & HOW CAN YOU
CAPTURE THEIR ATTENTION

Research and insights brought
to you by Cycle Trader®

EXECUTIVE SUMMARY

The motorcycle industry has struggled to rebuild since the 2008 recession.¹ By the time the economy recovered - the average motorcycle rider had aged, going from an average age of 40 in 2009 to 50 a decade later.^{2,3} In that time, younger generations did not replace these aging riders at the rate seen in previous generations - and since baby boomers have been the ones driving growth and sales, their 'greying' has been felt across the industry.¹ This shift has left dealers to find new ways to attract, engage, and influence a new generation of buyers, who have new desires and tendencies.

As we enter this new phase of our industry, it's crucial to not only know how to reach new buyers in this greying market, but to know exactly *who* the average motorcycle buyer is and what's motivating them to purchase so you can more effectively reach them when they walk into your dealership. To get this insight, we've surveyed Cycle Trader consumers and uncovered in more detail exactly who makes up the current motorcycle industry and how they came to their decision to purchase. From there, we've put together in-depth data analysis and actionable tips covering how to reach current buyers, how to engage the increasingly financially powerful millennial audience, and how to use the booming offroad market to your advantage.

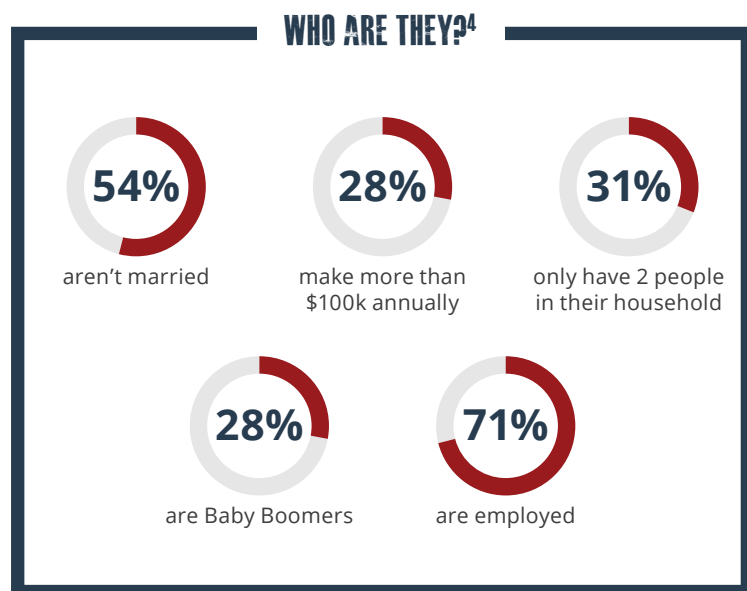
¹<https://www.revzilla.com/common-tread/can-rider-training-turn-around-the-us-motorcycle-industry> | ²<https://www.fool.com/investing/2017/03/05/7-motorcycle-statistics-thatll-floor-you.aspx>
³<https://www.rideapart.com/articles/304226/mic-2018-stats-who-are-we/>

THE MOTORCYCLE CONSUMER: WHO ARE THEY?

Before we talk engagement strategies - let's take a deep dive into *who* these motorcycle consumers are and what expectations they have when it comes to the buying process. Knowing your consumer through and through helps you not only provide better service but assists in building your overall customer relationships - ultimately helping you close the sale.

CURRENT MOTORCYCLE RIDERS

At first glance, this group is largely made up of unmarried Baby Boomers who are retired with an annual household income of more than \$100k, which isn't overly surprising considering their employment status. They are still working and earn a decent household income that affords them the ability to be able to make larger purchases, such as a motorcycle. This is likely the same audience you've dealt with day in and day out at your dealership for years. The reality is, older riders can't ride forever - that's why it's becoming crucial for dealers to diversify their offerings and tap into different audiences.



While current riders are important, they aren't the only persona that exists within our industry. Millennial riders, while often elusive, are the up-and-coming powerhouse when it comes to financial buying power. And don't forget about the growing offroad community - they are equally as important to focus on and it's crucial to understand exactly who they are and how they can be best reached - but more on that later.

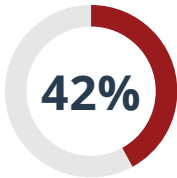
⁴Hotjar 2019

THE BUYER'S PATH & PREFERENCES

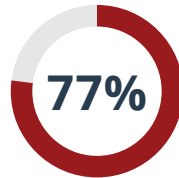
To understand how a buyer gets to the point of purchase - it's important to take a look at what motivated them to purchase a motorcycle in the first place. The #1 reason riders said they got into riding was because they just wanted a bike - plain and simple. Others also valued the ease of transportation a bike provides and another group was inspired by friends or family who ride. But no matter how well a motorcycle can change their lifestyle or how excited the buyer is to get out on the road - it's still a big purchase that these buyers take seriously. With that in mind, it's not surprising that they spend time researching and comparing the various available options.



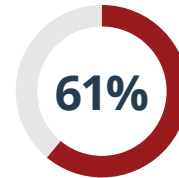
SEARCHING & BUYING⁵



of buyers start research at least 6 months in advance



of motorcycle buyers aren't wed to a specific manufacturer



say that a dealership won't change their mind about what they're interested in



Once a buyer has figured out the type of bike they want, they move fairly quickly down the path to purchase with 31% of buyers saying they start researching just three months in advance before making a purchase. These riders typically know what they want out of the gate with 61% saying that your dealership won't change their mind about what they are interested in. But as for type of manufacturer, they have a bit more wiggle room. 77% of buyers say they aren't wed to a specific manufacturer - meaning you have the power to influence them in more ways than one. This is a great area of opportunity for dealers to guide these riders through the buying process, catering to them and educating them as they decide what manufacturer is right for their needs - hopefully creating a lifelong customer.

So, now that you know who the average motorcyclist is, what can you, as a dealer, do to best reach them?

WE'RE GLAD YOU ASKED.

⁵Hotjar 2019

HOW TO REACH THESE RIDERS

HONE YOUR ONLINE DEALERSHIP

It's no surprise the way consumers receive information has changed significantly since the rise of the digital revolution. To put it simply, the Internet has drastically changed how all buyers shop and make purchasing decisions. In fact, the average consumer consults 24 resources on their path to purchase and 19 of those are digital. Buyers used to come directly to a dealership to conduct their research, but nowadays, consumers check a number of sources before they even walk into a dealership. They check online reviews, dealer websites, third-party marketplaces, like Cycle Trader, and social media as they search for all the information they need to make the right decision on their next ride. In fact, 53%⁶ of shoppers say they *always* do research before they buy to ensure they are making the best possible choice.

This shift in consumer buying habits has also significantly changed and heightened buyer expectations in the digital space. Buyers are expecting more from dealers and 75%⁷ of consumers admit that they judge a business' credibility based on their website. Think of your website, or *wherever* you choose to host your listings, as the face of your business. Consumers want to get a good feel for your dealership before they actually take time to visit. They are looking for a consistent, updated, and professional experience *especially* when they are making a larger purchase such as a motorcycle. If you don't provide the online experience they are expecting, they might feel a sense of uncertainty or uneasiness about your dealership and find another competitor in just a few clicks.

To manage your consumer's expectations online - it's crucial to present your dealership and your listings in the best light possible. This means including all the information they need in your listings up front - including a nice variety of photos, a detailed description of the unit, and the current price. Don't make consumers do more work than they need to - make it easy for them to get a good feel of the unit they're interested in right off the bat.

WHY HONE YOUR ONLINE DEALERSHIP?⁸

84%

of buyers say listings are an important part of their search

97%

of motorcycle buyers are searching year-round

90%

of consumers won't click on a listing without a price

Units with 5+ photos get
5x more connections
than those without

Descriptions with up to 250 words can
increase connections
by as much as **19%**

⁶<https://www.thinkwithgoogle.com/data/shopping-research-before-purchase-statistics/> | ⁷<https://www.markbrinker.com/a-bad-website-can-hurt-your-business> | ⁸Hotjar

WHEN BUILDING YOUR ONLINE LISTINGS, KEEP THESE TIPS TOP OF MIND:



PRICE

It's crucial to provide a price on all of your listings, this can even be the MSRP if a manufacturer has set requirements for what price you can include. According to our research, almost all buyers refuse to click on a listing without some kind of pricing listed. Keep in mind that 97% of buyers are searching year-round for a good deal and 42% say they are searching more in the winter - it's imperative to always include a price, even in the off seasons. Remember, your buyers are looking for their next bike at the best price — and if you don't want to share that information with them when and where they want it, they are more than happy to find another dealership that will.



DESCRIPTION

Buyers want to imagine themselves on their next ride and you, as the dealer, are the link that can help them understand what a particular bike can do for them. Take advantage of this when crafting your listing descriptions. It's important to paint a crystal clear image of what the bike offers; and particularly considering that 33% of our audience is a first time buyer, it's imperative to try to balance technical specifications of the unit and a more descriptive marketing message throughout your description.



IMAGERY

Having a large variety of high-quality photos helps eliminate any element of surprise when a buyer shows up to your dealership. They want to know up-front exactly what the bike looks like, what kind of condition it's in, and if there's any damage before they visit the unit in person. Keep in mind that honesty is always the best policy, especially when building trust with your buyers. Having top-notch photos is crucial to get more eyes on your listings considering that units with 5+ photos get 5x more connections than those without. Providing a video to go along with your listing photos is another great option and allows you to walk consumers through every facet of the bike they're interested in just like you would at your dealership.

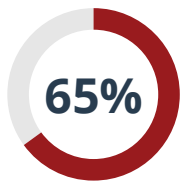
Yes, these tips will take more time on your part, but your effort will be worth it in the long run. Buyers want to know that you, as a dealer, care about your online presentation and that you took the time to elevate their research experience right from the get go. It's important to put yourself in the buyer's shoes to realize that buying a motorcycle is a large financial purchase and they take it very seriously. By taking time to invest in your online dealership up front, you'll end up reaching more qualified buyers quickly & efficiently.

CATER TO THEIR COMMUNICATION EXPECTATIONS

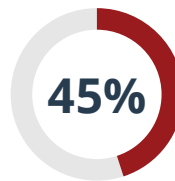
Your online presence isn't the only thing consumers are heightening their expectations on during their path to purchase. Their communication expectations are also on the rise, *especially* considering we live in a world that's accustomed to instant gratification. Consumers can get anything and everything they want within just a few clicks, and mobile devices are making it even easier for them. 68% of Cycle Trader's traffic comes from a mobile device, so incorporating the mobile buyer into your overall communication strategy is key.



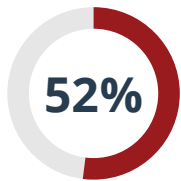
WHAT ARE THEIR COMMUNICATION EXPECTATIONS?⁹



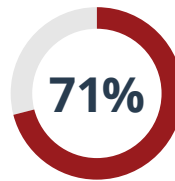
would like a response back within the same business day



will wait just one day for a response before they move on



will contact another dealer if they don't hear back in a timely manner



plan to have the keys within a week once a dealer contacts them



As you can see, motorcycle buyers are motivated, with 65% expecting to hear back within the same day they originally reached out. The longer it takes you to get back to them, the more likely it is they are going to head down the street to your competition. In fact, 52% will contact another dealer if they don't hear back from you in a timely manner. The window of opportunity is getting smaller and these buyers are eager to buy their next ride - 71% plan to have the keys within a week of reaching out. They want to hear from you, and quickly, because they've done their research, narrowed down their choices, and are ready to purchase. If you don't prioritize helping them, they will move on because at the end of the day, their top concern is not whether they get their next ride from you or the other guy - they just want to get out and ride.

⁹Hotjar 2017

CATER TO THEIR COMMUNICATION EXPECTATIONS (CONTINUED)

Make it easy for your buyer to contact you and cater to their communication expectations throughout the **entire** buying journey. To make sure your dealership stays top of mind through it all - you'll want to make sure you:

1

DEFINE YOUR VALUE STORY - You might know why you're valuable to your customers off the top of your head, but have you truly defined it? Take some time to really consider what you bring to the table that your competition cannot. Write it down, memorize it, and consider it your elevator pitch or your core message. This messaging should be shared with your team and with your customers - wear it proudly as a badge of honor. Your value story should flow into everything you do at your dealership - this means incorporating it into your overall communication strategy.

2

PREPARE FOR ALL TYPES OF BUYERS - No two buyers are alike - and the Powersports industry is becoming more and more diverse so this is a particularly critical time to reach all types of buyers. One thing they do have in common is that they are all looking for a unique experience and it's important that your value story/core messaging can cater to each of them. While your value story can be tweaked for each buyer demographic, keep in mind, the core messaging should remain consistent.

3

REGULARLY TRAIN YOUR EMPLOYEES - You'll want to make sure every person on your team is speaking the same language when it comes to your core messaging. We encourage team training sessions or putting together talk tracks on what your value story is, why it's important, and tips on how they can actively use it during the sales process. Your value and unique differentiators should be something that every person on your team can recite without hesitation.

Now that you are equipped with a few tips and tricks to reach the current population of motorcycle riders, let's take a look at how you can expand your offerings and how you can tap into new audiences.



EXPAND YOUR BUYER POOL & TAP INTO NEW AUDIENCES: OFFROADERS & MILLENNIALS

We've mentioned the overall 'greying' of the motorcycle community and this shift, felt throughout the industry, has left dealers to find new ways to reach buyers. While this shift has undoubtedly presented challenges, it also provides dealers with the opportunity to think out of the box and reach untapped audiences they might not have focused on previously. With that in mind, it's time to set our sights on reaching both the growing offroad market and millennials.

The rise in popularity of offroad units has come at the perfect time. Consumers are flocking to ATVs and UTVs just as motorcycle sales have seen a downturn, helping dealers to maintain their business, despite the shift in what consumers are buying. The offroad market is expected to grow from USD 9 billion in 2017 to around USD 13.5 billion by 2024.¹⁰ The opportunity to reach these buyers is at an all time high, but are we as an industry prepared to support that growth? It's no secret that the Powersports industry as a whole has consistently led with motorcycles for years, considering 95% of offroad buyers feel that they don't get the same attention from dealers as motorcycle buyers.

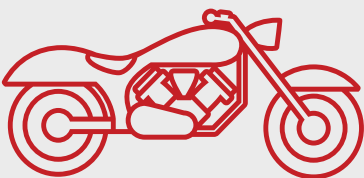
But offroad riders aren't the only group you should be focusing on. It's time to reach the millennial audience as well. These individuals are between 23-38 years old and compromise 24% of the current population. They are the most educated and racially and ethnically diverse generation to date. But - at the end of the day - they don't have huge incomes yet with younger millennials only making around \$25k and older ones making around \$48k. They are set to take over the Baby Boomer generation this year and they are a market we should be heavily focusing on as an industry.

Now for the hard question. How do we go about capturing the attention of these offroaders and millennials? To best reach these demographics from a marketing perspective, you need to:

ENGAGE PASSIONATE FOLLOWERS & BUILD YOUR COMMUNITY

We are a passion based industry and these riders are looking for ways to engage and get information about the motorcycle & offroading lifestyle - and social media is a great place to do just that. Overall, social media users have grown by 13% year-over-year¹¹ - with Instagram growing the fastest in 2018, but nearly 50%¹² of offroaders say that it's not easy to find content and guides about the lifestyle. Social media is an amazing tool you should be using to share this type of information with your offroad and motorcycle buyers. It can be tempting to focus your social presence on street units alone - but dirt riders are also passionate about *their* unit of choice, so it's important to cater to them as well. Sharing this type of content doesn't have to be difficult. Some easy examples of posts could be sharing OEM videos, posting cool places to ride in your local area, or posting laws that your buyers should be aware of while riding in your state. Creating a social strategy allows you as a dealer to develop your own communities, build long-term relationships with customers, gives customers a place to share feedback, and influences what shows up in search. If you're not using social media to your advantage - it's time to start.

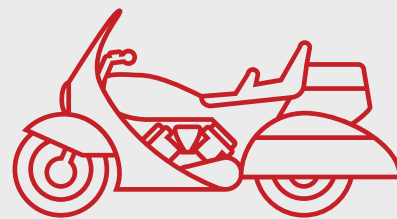
Think about your recent sales or customers who come back into your shop regularly. Are any of them millennials, offroaders, or both? These could be great brand advocates for your dealership through their own social platforms. Just having people out there talking about your dealership and your product expands the reach of your dealership because they are sharing this message with their audience - and if you like their imagery, you can always repost it onto your feed, saving you the trouble of creating this content on your own.



¹⁰<https://www.globenewswire.com/news-release/2019/01/18/1701832/0/en/Off-Road-Vehicle-Market-in-the-U-S-to-exceed-13bn-by-2024-Global-Market-Insights-Inc.html> | ¹¹We Are Social | ¹²Hotjar 2019

ENGAGE PASSIONATE FOLLOWERS & BUILD YOUR COMMUNITY (CONTINUED)

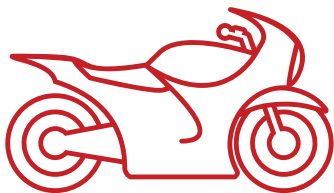
Setting up an Instagram contest is another great way to reach the millennial demographic specifically. Contests don't require much work from you, but can have a far reaching impact in terms of the number of people sharing and talking about your brands. Millennials bikers are incredibly interested in participating in giveaways and are willing to share images in exchange for some type of prize (promotional gear, leather jacket, gloves, etc.). This goes for the offroad audience as well. You could ask users to like your photo and tag a certain number of friends on your post, or have them share the post on their story as an entry into your giveaway. Giveaways are simple yet effective - suddenly you also have a whole new list of potential influencers looking at your brand.



BE AUTHENTIC & VISUAL

Most buyers can smell a sales pitch a mile away, and can become disengaged immediately - so, don't lose them before you even start the conversation. The digital market has made it easier than ever for buyers to research and find another business that better meets their needs. Make it your goal to provide them with value. Instead of writing a blog post on why they need to buy a particular unit, focus on topics they really want to hear about like, "How to Pick Your First Motorcycle/Offroad Unit " or "Top Mistakes All New Buyers Make." You can share this content with consumers through online channels or even print out pamphlets or flyers to hand out in your store.

And no matter what you do - whether it's posting helpful content or promoting your product - remember that visuals are important. Buyers (but especially millennials) process information - and retain it - much more efficiently when it's imagery - so again, play to that. We all know there are some awesome bike and offroad shots out there that just make you want to ride - so invest some time and energy in getting these pictures to share. No matter what you're doing - from writing content, to taking part in an event, to working around the shop - consider how you can share those visuals with potential buyers.

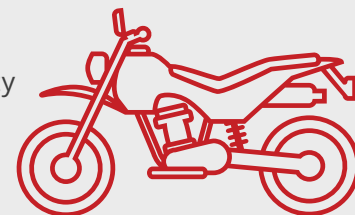


FOCUS ON THE EXPERIENCE & TAKE THE LIFESTYLE TO THEM

Last but not least, you need to focus on the experience you're offering your potential buyers - and not *just* on social media. For millennials, it's important to keep in mind that they are interested in more than just riding bikes. They like outdoor activities, spending time with family and friends, working out - the list goes on and on. How can you incorporate this knowledge into what you are offering at your dealership? Try to think of your dealership as more than just where a transaction takes place. Rather, look at it as an opportunity to provide value outside of your product.

Your dealership can be a way to help consumers spend time with family & friends and a place to provide education. Try hosting helpful workshops or events or try partnering with local businesses to host a concert or event to draw millennials and offroaders in. Another idea could be setting up a booth at your local amphitheater, park a unit in front of a local grocery store or restaurant, or participate in a local charity event or festival. It's important to reach your customers where they are *especially* if you're looking to attract new buyers. Plus - word of mouth is still absolutely a factor in today's market. In fact 83%¹³ of consumers say that word of mouth influences their product purchases - so the more people talking about you, the better.

As you look to engage the offroad audience and attract new millennials in your community into the riding lifestyle, don't forget to be authentic, find ways to build your community, and focus on the experience you're providing.



¹³<https://www.prdaily.com/report-83-percent-say-word-of-mouth-influences-their-purchases/>

CONCLUSION

No matter where we're headed as an industry - it's imperative that you focus on more *deeply* understanding not only who your consumers are, but also broader trends, both in our industry and outside of it.

In this changing market, adapting your sales strategies to align to these evolving consumer trends is what will allow you to be most successful in years to come. Being able to deliver a quality experience that delights potential customers right from the start is what will allow you to stand out among the competition and win market share not just among offroaders or millennials - but with the entire Powersports market.

Cycle Trader® is part of a unique portfolio of Trader Interactive marketplaces for buying and selling powersports vehicles, including Cycle Trader, ATV Trader, PWC Trader, and Snowmobile Trader, with over three decades as part of the "Trader" family of brands. Our mission is to bring powersports buyers and sellers together by providing our dealers and manufacturers with comprehensive listing packages and innovative advertising products that place inventory in front of relevant, high-quality buyers. Listing inventory through our powersports brands ensures that dealers can maximize their exposure, generate connections, drive sales, and boost profits. For more information, visit www.CycleTrader.com.

