



*Ducati Panigale V4 model*

- **NMDA DEALER ATTITUDE SURVEY**

The NMDA is encouraged to see that this year's Spring 2019 Dealer Attitude Survey received a response rate of 23% made up of ten main brands. Overall the survey shows that there is still scope with certain manufacturers to develop their relationships with their dealer networks as some still fall well below average in many areas of the survey. See below for full analysis.

- **MOTORCYCLE MARKET**

The motorcycle market continued its upward trend in April, with sales up 7.3% ahead of the same period last year and up 9.4% year-to-date. In total, 36,951 bikes have been put on UK roads so far 2019, up by 3,188 registrations compared to 2018.

- **NMDA MEMBER MEETING – WEDNESDAY 26 JUNE 2019**

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## NMDA DEALER ATTITUDE SURVEY SPRING 2019 RESULTS REVEALED

The NMDA is encouraged to see that this year's Spring 2019 Dealer Attitude Survey received a response rate of 23% made up of ten main brands. Participants in this survey were made up of 75% of independently owned franchise dealers, and 23% privately owned groups. 67% were single brand dealer's whilst the remainder of 33% were multi-franchised.

The survey shows that the all dealer average when asked about the overall value of the franchise remained static at 6.2 since the last survey in Autumn 2018

- Ducati, Triumph and Honda were recorded as the top 3 franchises
- The least valued franchises by respondents were Piaggio Group, KTM and Yamaha

When asked about their ability to do business with their manufacturer on a day-to-day basis, the score average declined by -0.4 since the last survey

- The partnership dealers have with their manufacturer scored an all dealer average of 3.2
- Piaggio Group dealers were the most dissatisfied for a second year in a row with the partnership they have with their manufacturer, having reported a score of 2.1 since the last survey (where they scored 3.0) and fall to 10<sup>th</sup> position in the ratings chart
- BMW and Ducati were the top scoring dealers with a score of 4.0, knocking Harley Davidson off the top of the ratings chart

Dealer profit and future profitability both declined in this survey from Autumn 2018

- When rating the profit return by representing their franchise, the all dealer average went down by -0.2 points from 2.8 to 2.6
- Ducati, Triumph and Honda were recorded as the top 3 franchises
- When asked about the future profitability of their business, the all dealer average went down by -0.1 points from 3.0 to 2.9
- Ducati, Triumph, Suzuki and Honda (Jointly) were recorded as the top 4 franchises

Overall the survey suggests that dealers are fairly satisfied with the business relationship they have with their manufacturer. The two manufacturers who saw their scores across all questions improve were BMW and Ducati. Both saw a significant increase and stood out as the only manufacturers making positive progress in the eyes of their dealers. In the case of Ducati the positive results need to be tempered as with only 2 dealers completing the survey the results could be non-representative of the network.

Dealers are on average most satisfied with the image of the brands they represent and products they sell. This suggests that dealers are brand patriotic and confident in how the consumer views their manufacturer. Particularly, dealers were satisfied with brand and product image, and warranty policy and time allowances.

With the declines in scores for certain key questions, there is still scope with certain manufacturers to develop their relationships with their dealer networks as some still fall well below average in many areas of the survey.

- **Due to differing levels of participation from motorcycle dealers taking part in the NMDA survey, we have decided to eliminate the restriction of a minimum 15% brand participation from this survey and all future surveys. This will not discourage dealers from submitting survey returns**
- **Overall the survey has been well supported by most brands and manufacturers therefore we believe it would be unfair to restrict the input from some dealers who participate in the survey, even if in small numbers.**
- **In this spring survey we are pleased to include all the main ten brands but must ask that readers give caution to the high Ducati score as the responses came from just 2 dealers completing the survey. Overall the survey participation represented 23% of dealers.**

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#### **APRIL DRIVES MOTORCYCLE SALES UP 7.3%**

The motorcycle market continued its upward trend in April, with sales up 7.3% ahead of the same period last year and up 9.4% year-to-date.

In total, 36,951 bikes have been put on UK roads so far 2019, up by 3,188 registrations compared to 2018.

The 50cc moped market was up 64.2% in April registering 609 bikes compared to 371 last year. This is encouraging to see as it reflects new riders and commuters entering the market. The naked bike sector saw the biggest increase with 3,183 bikes registered, 324 more than April 2018. Both the sport/tour and trail/enduro sectors both saw a decline of just over -27%, although the trail/enduro are overall holding up their sales with a modest increase of 2.6% over last year.

All power sectors increased in April, with the exception of the over 100ccc machines which saw a decline of -8.2%, however overall year-to-date the sector is still stable with a modest increase of 0.9%.

Manufacturer wise, Honda was the leading seller registering 1,679 bikes in April, followed by Yamaha in second place with 1,074 registrations and BMW in third place with 811 bikes registered. Ducati moved up to 9<sup>th</sup> position with 67 registrations of its PANIGALE V4 model, and again Royal Enfield with its new Interceptor INT-650 was the top selling model in the naked sector with 153 registrations.

Dealers have reported a buoyant first quarter and are optimistic that the strong motorcycle market trend is here to stay. Whilst there is some concern about additional business costs related to upgrading facilities revising corporate identity, we look forward to seeing what the second quarter brings.

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## A NOTE FROM OUR CHAIRMAN PAUL BARKSHIRE

The 3 rules of a successful business in my eyes are the three 'P's – people, place and profitability.

**The people.** These are your staff and your customers who are ultimately the backbone of your business. Involve your staff and explain the need to be pleasant and engaging with customers. Although this may seem like a given, sometimes the obvious things such as ensuring you take down the customers full contact information can be overlooked.

**The place.** This is your dealership. Ensure that your dealership looks professional and inviting. Products are displayed correctly and safely and your premise is a reflection of the services you provide.

**Profitability.** The most important aspect of running a successful business is the money you make. And that comes from the points above – your staff and your customers. Remind staff to always be passionate about the products and add value to what they're selling and explain what your business can offer that maybe some competitors can't.

It all comes down to not underselling ourselves and taking pride in our businesses.

Happy selling!

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## APPRENTICESHIP COSTS HALVED

Smaller businesses looking to take on an apprentice will receive a financial boost this month as their contribution towards apprenticeship training is halved from 10% to five per cent.

Non levy-paying businesses (those that have a wage bill of less than £3m per year), can now access extra funding for apprenticeship training and assessment through the shared government-employer co-investment scheme.

Currently, the government pays 90% of the contribution and employers make a 10% contribution, up to the maximum amount of funding available.

From now, apprenticeship contributions from the government will go up to 95%, meaning non levy-paying organisations will now only pay a five per cent contribution to fund their apprenticeship programme.

For example, if the cost of the Apprenticeship Standard was £11,000 – as the Motorcycle Technician Trailblazer Apprenticeship Level 3 and the digital marketer apprenticeship standard Level 3, – then under these new terms the government will pay £10,450, while the employer's contribution will only be £550.

Meanwhile, employers who do not pay the levy are also eligible for additional funding and support, depending on the apprentice's age and circumstances, or if the business employs fewer than 50 employees.

There are also still grants of £1,000 available to support the employment and training of 16-18 year olds, or apprentices with an EHC plan.

For further advice, Remit Training is available to help companies understand the benefits of apprentices. It offers apprenticeships across a range of sectors including automotive, IT, digital marketing, business, leadership and management leadership, hospitality, health and social care, food manufacturing and retail.

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#### **NMDA MEMBER MEETING – WEDNESDAY 26 JUNE 2019**

The NMDA meets every quarter to update and discuss the future direction of policy, plus review issues affecting dealers.

The next meeting will be held on Wednesday 26 June at our London office on 201 Great Portland Street. The meeting will begin at 10.30 followed by lunch at 1pm.

For more information and or to confirm your attendance, please email [louise.woods@rmif.co.uk](mailto:louise.woods@rmif.co.uk)

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