

**NATIONAL MOTORCYCLE DEALERS ASSOCIATION NEWSLETTER
SEPTEMBER 2020**



Honda PCX 125 was the best seller in August

MOTORCYCLE MARKET

Demand for motorcycles remained strong in August with an uplift in sales of 31.2% compared with the same period last year. It is positive to see that dealers are coping with the substantial increase in demand.

'IT'S COVID SAFE TO RIDE'

As the movement away from public transport continues to benefit sales of motorcycles, NMDA continues to promote our 'IT'S COVID SAFE TO RIDE' campaign.



NMDA is your trade body and here to help and advise you on regulatory and operational issues facing your business. If there are issues that we have not covered, or you have concerns about, please do contact us on the NMDA helpline 01788 538303.

Patrick O'Connell
Head of NMDA

NMDA ANNOUNCES PATRICK O'CONNELL AS NEW HEAD OF ASSOCIATION

You will have noticed the NMDA has a new 'Head of Association' from September, Patrick (Paddy) O'Connell who has replaced Steve Latham after 12 years at the NMDA. Steve has decided to leave the association to spend more time at his home in Devon and pursue his 'sailing' interests with less weekly travel to London!

During Steve's tenure, he was involved in the association change of name and strategy, from MRA to the now established NMDA. Since then Steve has been instrumental in driving membership numbers up, for the introduction of the well-publicised NMDA 'Dealer Attitude Survey' and the 3-year battle to assure the industry of a new Government approved 'trailblazer' technician apprenticeship standard.



Key NMDA achievements over the last few years include growing positive relationships with associations like the MCIA and NFDA, and the media such as 'British Dealer News', as well as increasing the association's relevance to motorcycle dealers by being present and responsive, and attending shows like the 'Motorcycle Expo' annually.



Paddy was born into the motor trade, under the tutorship of his Father (another Paddy) he was involved in all aspects of running a used car dealership. After the birth of his first child (yet another Paddy) and in order to gain franchised dealer knowledge and weekends off, he joined Group1 Automotive in 2013 as the Group Buyer for their Ford division. Covering cars and commercials, the role allowed him to get involved in a number of projects and also to complete a four-year Master's Degree in Automotive Retail Management at Loughborough University.

Wanting to be part of facilitating change in the automotive industry, Paddy has taken the role of NFDA Head of Operations and NMDA Head of Association.

"I have always admired and been intrigued by people's passions. The level of engagement and sense of community in the motorbike world has long been something I have felt like I am missing out on. The role change will give me the opportunity to join and immerse myself in this exciting part of automotive, consolidating and building on the legacy of Steve Latham and the NMDA.

I also plan to share the journey from newbie on a bike to... who knows!?"

Paddy be delighted to hear from any NMDA members on 07436 404102 or email him on patrick.oconnell@rmif.co.uk

DEMAND FOR COMMUTER MOTORCYCLES AND SCOOTERS REMAINS STRONG

It is very encouraging that the motorcycle market saw a further, strong increase in registrations, up 31.2% in August prior to a new registration plate, highlighting the ability of motorcycle dealers to react to the growing demand.

Motorcycle sales grew again by 31.2% in August, an impressive increase to 9,087 new machines put on the road compared to 6,924 in the same period last year according to the latest MCIA figures.

All motorcycle power ranges saw an uplift in demand, with the 51cc – 125cc dominating the market thanks to a growth of 43.9% in August, taking the year-to-date figure to an encouraging +4.2%. Also naked machines saw a substantial 34.4% growth.

Low powered, 125cc motorcycles can be ridden upon completion of a straightforward Compulsory Basic Training (CBT) course, with no test required, making the transition to powered-two-wheels an exceptionally accessible option.

The 27.8% increase in the 1,000cc or greater bikes can be justified by the large number of consumers who did not take their annual holiday and are looking elsewhere to spend their leisure time and disposable income.

Year to date figures are partially offsetting the previous declines, with the overall motorcycle market now only 11.7% behind the first eight months of 2019, a gap that continues to close each month.

While Honda maximised its opportunity by registering 1,598 motorcycles in the month, Yamaha was in second position putting 881 units on the road, followed by Lexmoto with 705 registrations. Despite not promoting any 125cc machines, Kawasaki was surprisingly the fourth best-selling brand with 614 machines.

The positive trend facing low powered machines is clearly indicating that the move away from public transport is benefitting this segment of the motorcycle market. Following months of strong sales, NMDA has heard from dealers that supply issues may affect them and that a number of manufacturers are bundling available stock needed by dealers with less desirable models, which could have a detrimental effect on the market over the coming months.

A NOTE FROM NMDA CHAIRMAN, PHILIP YOULES

Motorcycle dealer business seems to be plotting a more normal course within the industry. Good used stock can be scarce and one or two new key volume models from several manufacturers are now in short supply.

This can help dealers retain margin but the balance between retaining margin and losing a sale is a fine one. I still find it fascinating that you can order a small value item from Amazon and the thing can be tracked right to your door with a timed delivery. Yet, a motorcycle or scooter can cost thousands of pounds, but a definite delivery date is out of the question.



I've received responses in the past like "not sure if you're lucky might be the end of October mate". Sorry, I'm not your mate I'm your customer, and the end-users is my customer so let's get a definite date. I know many manufacturers think the same and are aware that the industry needs to sharpen up.

We all need to continually look to improve our business, dealers and manufacturers alike in this way we work together to service the end customer. The dealer is best placed to deal directly with the idiosyncrasies of the end user. Trust me, every time a manufacturer deals directly with a customer it does seem to fall over. The name gives it away "dealer" i.e. used to dealing with things. There is a growing sense that manufacturers are using the COVID-19 excuse to go direct, certainly Yamaha and Triumph now have direct clothing sales channels. Is this the thin end of the wedge? Will manufacturers eventually go direct with bikes cutting out the franchised dealer network? My suspicion is that they might try, but, up to now, the direct approach has failed at every level.

A number of car brands have tried to 'go direct' with varying levels of success but the complexities of the motorcycle world don't lend themselves to making things easy. Plus, unlike many other industries the second-hand bike has a value that varies even in different parts of the country. We will probably have to keep our eyes open as to changes that take place in car world as this will most likely be the catalyst for change in the motorcycle industry. The clothing side of the motorcycle business has already moved to a more online platform but as the value of products rises people still want to touch and feel the product. But the fast clothing like T-shirts and hoodies is very competitive, as the likes of Boohoo are very good at selling T-shirts etc. albeit not sporting a motorcycle brand.

The motorcycle brand that has really turned clothing into an art form is, of course, Harley Davidson. They realised some years ago that they were selling a lifestyle not a motorcycle, whereas other brands want to sell motorcycles and bolt their clothing on to reap the benefits of the large margins in apparel. Motorcycle dealers would rather manufacturers concentrate on the basics of the core product i.e. getting motorcycles made, developed and delivered on time. Let's keep it simple, in the dealers' and customers' best interests.

However, despite all these complications, as dealers, we need to continually reinvent ourselves and offer new ways of doing business whilst serving the customer and protecting the manufacturer as well as our own brands. All too often I'm dismayed at the now, number one excuse that's rolled out for not doing something. COVID-19 is not an excuse for letting standards slip, in fact, it's a reason to look after the customer even more. With an ageing demographic we probably have a lot of vulnerable customers that now need to feel safe. More cleaning, more reassurance on social media and being mindful that our customer still want us to interact with them from behind the now obligatory face mask. I don't mind any shopkeeper asking me politely to wear the mask, when I've had that momentary lack of concentration when entering a shop. But I do object to someone barking "facemask" at me as if I'm a complete moron.

Remember as my mother says "manners cost nothing" retailing motorcycles is all about people, they are our biggest resource and we need to keep it that way as that's what makes our industry so interesting.

I am still pursuing my bus lane agenda, after the proposal was rejected by central Government, I have written to Simon Warburton CEO of transport for Greater Manchester. I haven't had a reply yet but will chase it up in another week or so. I know a few dealers have written letters to local members of parliament including the transport secretary. I'd like to thank anyone that takes the time and trouble to do so. It's inspirational and means a lot when an individually composed letter lands on someone's desk, it's far better than a template campaign done for ease.

So well done and keep up the good work.

Philip Youles, Chair of the NMDA

NMDA VOICES DEALERS' CONCERNS WITH TRIUMPH'S LACK OF COMMUNICATION

In August, the National Motorcycle Dealers Association (NMDA) has written to Triumph to obtain clarifications regarding the manufacturer's position on online sales and the role of its dealer network going forward.

Following the advertisement of a vacancy for a 'Motorcycle Commerce and Configurator Manager Job' at Triumph, NMDA has received numerous phone calls and emails from Triumph dealers worried that the role of the new represented a threat to the current network.

Triumph dealers queried with the NMDA and the manufacturer what seemed to be the start of the process to move Triumph motorcycle sales away from the dealer network.

Responding to dealers' concerns, Triumph has confirmed it is looking at an 'omni-channel' approach, however it does not intend to sell its current range of motorcycles online.

Triumph suggested the improvement to the buyer online journey will support the current retailers selling process by passing to dealers more qualified leads obtained via the website.

According to Triumph, dealerships' closure during the lockdown has accelerated the need for this process looking at improving the manufacturer's online offering.

It is disappointing that Triumph has provided clarity to its dealer network only after dealers expressed their concerns. Triumph dealers worked extremely hard during the lockdown and their monumental efforts were reflected in Triumph's market position.

The role of dealers remains vital and manufacturers must clearly communicate to their network any change in strategy going forward.

'IT'S COVID SAFE TO RIDE'



← Use the strapline in your email footer and customer communications

NMDA continues to promote the **'IT'S COVID SAFE TO RIDE'** campaign to promote scooters and motorcycles as a safe way to avoid public transport, with advantages over walking, cycling or driving.

Speed – typical 125cc motorbikes can reach up to 60mph, which is ideal for longer commutes on A-roads, and much faster than a push-bike.

Economic to run – the fuel economy of a motorbike can reach around 90mpg.

Only 1 day of training needed – to ride a scooter or motorbike solo on the road, only one day of training is needed once you have a provisional licence. The compulsory basic training (CBT) course, once taken, allows anyone over the age of 17 to ride a motorbike up to 125cc with L plates on the road.

Ease of parking – many car parks will have dedicated free motorbike parking spaces, which will usually be quieter than the car spaces.

Environmentally friendly – as they have smaller engines and complete the journey time faster, motorbikes emit far less CO2 than cars.

Freedom – motorbikes have you as close to nature as a push-bike does, and access to all the same areas as cars, but with all the advantages above.

LEGAL UPDATE: Investigations and unfair dismissal

A key element in any fair dismissal of an employee with over 2 years' service is that the employer must follow a fair procedure and conduct a reasonable investigation into any allegations, especially where misconduct is alleged. Such an investigation includes gathering all relevant evidence that it is reasonable to investigate. The investigation does not have to be perfect, but within a band of reasonable investigations that another employer could have undertaken in the circumstances. The extent and depth of the investigation also clearly depends upon the seriousness of the matters being investigated.



In the case below the Employment Appeal Tribunal (EAT) supported an employer when it failed to take some evidence from potential witnesses. It concluded that the employer was reasonable in excluding such evidence, under circumstances where the excluded evidence could not have really changed the employer's view.

In Hargreaves v Manchester Grammar, Mr Hargreaves was a teacher with an unblemished record until it was alleged that he had grabbed a pupil, pushing him against the wall and putting his fingers to the pupil's throat. He was dismissed. The tribunal found the dismissal fair. Mr Hargreaves appealed to the EAT, contending the employer's investigation was inadequate, given the career-changing impact of the allegation. Also, the employer had failed to disclose to the disciplinary panel evidence from potential witnesses who had said they had seen nothing.

The EAT dismissed the appeal. The tribunal had correctly directed itself as to the higher standard of

investigation that might be expected, given the very serious nature of the allegation. It was within the band of reasonable responses to decide not to put forward to Mr Hargreaves and the disciplinary panel details about interviews with those who had seen nothing. It did not follow that, because those individuals had seen nothing, nothing had happened. The tribunal permissibly concluded the employer had reasonably formed the view that the excluded evidence was immaterial and could not assist.

The tribunal was entitled to conclude the employer had conducted a fair investigation and that the dismissal was not unfair.

Comment

The above case shows there is some degree of latitude for employers in such matters however employers should generally be careful to investigate with all potentially relevant witnesses and that remains the safest option. Employers must remember that, in any investigation, they are looking for all the evidence (not only evidence that supports the charges against the employee).

Motor Industry Legal Services

Motor Industry Legal Services provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advise over 1,000 individual businesses within the sector as well as the Retail Motor Industry Federation (RMI) and its members.

GOVERNMENT ANNOUNCES ADDITIONAL TRAINEESHIP and APPRENTICESHIP FUNDING

The Government has launched a few new incentives launched to help businesses invest in the “skills they need to recover and grow”.

Employers of all sizes are being invited to apply for cash incentives to help them take on new apprentices and get more people into work, Apprenticeships and Skills Minister, Gillian Keegan announced on 1 September.

As part of the Government’s Plan for Jobs, employers are being offered £2,000 for each new apprentice they hire aged under 25, and £1,500 for each newly recruited apprentice aged 25 and over. This includes taking on an apprentice who has been made redundant.

The cash boost is designed to support employers to cover the cost of recruiting an apprentice such as providing facilities, uniforms, helping with travel costs or to help pay their salary.

Employers who want to take advantage of the offer can apply through the government’s award-winning digital apprenticeship service.

This new cash incentive for employers is on top of the existing £1,000 payment for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan.

To support people, particularly young people, affected by Covid-19 the Government has also announced a range of support including:

- £111 million boost to triple the number of traineeships available across England – the largest-ever expansion of traineeships – to help make sure more 16-24-year olds have the skills, experience and confidence they need to enter the world of work.
- A new £2 billion Kick-start Scheme to create hundreds of thousands of new, fully subsidised jobs for young people across the country.
- £17million is being invested to increase participation in our sector-based work academies, to upskill job seekers to fill locally identified vacancies.
- A Job Retention Bonus – a one-off payment of £1,000 to UK employers for every furloughed

employee who remains continuously employed through to the end of January 2021.

- £111 million to support school and college leavers at risk of becoming unemployed to do a fully funded optional extra year of study.

The Government is also providing a new online and telephone support service for apprentices who have lost their jobs during the Covid-19 outbreak. The Redundancy Support Service for Apprentices (ReSSA) ensures apprentices can access services that can provide financial, legal, health and wellbeing support, and help them get back on track and on the path to a new career.

TOP 10 BEST SUPER AND HYPER NAKED MOTORCYCLES OF 2020, Visor Down

10. Honda CB1000R (*from £11,649*)
9. Ducati Monster 1200 S (*from £15,095*)
8. BMW S1000R (*from £11,570*)
7. Triumph Speed Triple RS (*from £13,600*)
6. Yamaha MT-10 SP (*from £14,747*)
5. KTM 1290 Super Duke R (*from £15,699*)
4. Aprilia Tuono V4 1100 Factory (*from £17,199*)
3. MV Agusta Brutale 1000 RR (*from €29,990 - equiv £26,500*)



2. Ducati Streetfighter V4 (*from £17,595*)



1. Kawasaki Z H2 (*from £15,149*)



Source: [Visor Down](#)

WHAT YOU GET FOR YOUR MEMBERSHIP FEE

- **Legal services** – Free legal advice from in-house lawyers
- **HR & Employment advice** – Resources for providing HR documentation
- **Trading Standards** – Guidance advice handling legislation
- **MOT Training** – Training centres to update and instruct MOT testers
- **Conciliation & Arbitration** – Resolving trade and consumer disputes
- **Government Lobbying** – Ensuring we are in consultation over law changes
- **FCA Advice** – Keeping up to date with F&I knowledge
- **DVLA Partner** – Working with DVLA to assist future projects
- **DVSA Advisor** – Advising on MOT test requirements
- **Utility packages** – Reviewing potential on saving energy costs
- **Banking & Credit Cards** – Possible savings on banking charges
- **Business advice** – On call to assist dealers with day-to-day issues
- **BDN EXPO Trade Show** – Attend the annual motorcycle trade show
- **Monthly Sales Report** – Review of monthly motorcycle registrations
- **Monthly Newsletter** – Updating on issues, trends & results affecting your business
- **Quarterly member meeting** – Reviewing issues affecting the industry
- **Biannual Attitude Survey** – Monitoring dealer/manufacturer relationship
- **NMDA Website** – Easy way to check on updates

For more information, please contact Ed Buckley (Membership Manager) on 07919576306 mobile or email ed.buckley@rmif.co.uk.

NMDA MEMBER MEETING

The next NMDA member meeting will return to be a physical meeting at the RMI offices in Great Portland Street on the 24 November 2020

All members are welcome to attend this meeting. Please call Lena on 020 7307 1409 or email lena.patel@rmif.co.uk to confirm your attendance