

Innovation in the scooter aftermarket

BY JERROD KELLEY

Due to a challenging 2009-'10 selling season, the scooter aftermarket is faced with making changes and being aggressive in order to remain profitable. Some of those innovative adjustments include adding specialized apparel and accessories, offering parts for non-traditional brands and buying-out failing distributors.

Proven aftermarket companies also have learned to cater to buyers and OEMs by focusing on quality parts and exceptional customer service. Some industry insiders are hoping for less market saturation (reduced competition), society's need for fuel-efficient vehicles and improved product excellence to weed out an excess of Chinese manufacturers who import directly.

Take Martin Racing Performance for example. The Florida-based company said it bought six distributors in 2009 and is "actively working on being the premier destination of OEM parts," said Joel Martin, MRP president. "The market will still be down across the board in 2010-2011 unless gas prices go up. What we've seen is also a saturation of the marketplace as many Chinese manufacturers come in direct. Nine out of 10 distributors sell retail now, as well as bypassing the dealers altogether.

"Most distributors just jump on the bandwagon and bring in any cheap Chinese parts without really knowing the industry. We have the street credibility of having been innovators for nine years, bringing in the items before they became mainstream. Now we jumped one step ahead, again, and took advantage to make sure

the dealers have these parts. This is a service we provide the industry since, without MRP, there won't be any support at all for these brands that have left the market in 2009. Expect more companies to close as the industry continues to have the 2009 fallout."

Bob Eggerichs of Slipstreamer, a leading scooter windshield manufacturer, admits market increases have been hard to come by, but has seen signs of hope. "We have not seen any growth in the last year. Let's just say we are down [from last year]," he explained. "With gas starting to creep up again, we have been outfitting many newly purchased scooters. I would guess we have seen about a 20-percent increase as of late [March]."

OPTIMISM REMAINS

Even with additional closings and continued declines, the industry's current situation is better for some companies than it is for others. Optimism remains and so do the companies that retain a positive outlook. One such company is Sportech, which introduced scooter windshields to the market as a mid-2009 release.

"This is our first entry point into the scooter market and feel that our design and build quality help to solidly position us within the market," said Greg Anderson, marketing manager at Sportech Inc. "To date, we've seen steady activity with the line. It's being carried by the top distributors and has been added to the Supplier Sourcing Program being implemented at Yamaha. We're optimistic about the coming season."

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*Bob Eggerichs,
Slipstreamer Inc.*

LeoVince USA's Executive Vice President Tim Calhoun is confident in the industry, too. "Finishing the first quarter, we currently have a 23-percent increase in sales this year, but we expect that to accelerate in the next two weeks. Our sales have ramped up and dealers are enjoying the benefits of dealing with a manufacturer and the added availability of Tucker Rocky distributing our product nationally along with our direct distribution."

Partsforscooters.com is another company that remains upbeat and said it has seen growth primarily because of the amount of product it offers. James Canning, vice president of sales/operations for Partsforscooters.com, explained, "Basically, all category sectors have seen increases. Bringing on a brand new line we are just seeing an increase and it's doing well. We deal with Taiwanese performance products and added Hoca products. We added them to the line and had great success because of the

quality and price of product."

Several of these scooter aftermarket insiders said product trends are leaning toward larger-displacement scooters, improved quality and growth in accessory lines and apparel.

"I see larger-displacement scooters becoming permanent fixtures as far as being used as commuter vehicles and weekend transportation," explained LeoVince's Calhoun.

Scooter owners may not be as aggressive as motorcycle owners when it comes to modifying their machines, however, they're no different than motorcycle riders in their need to add comfort, convenience and performance.

"I expect the same thing to happen [with scooters] as happened to motorcycles: customization and personalization," Slipstreamer's Eggerichs said. "Americans like to dress their toys."

Martin said bringing on a new line of scooter clothing and high-performance parts has been a big success for MRP. "We're seeing an increase in items that are original, like the Armadillo Clothing line and Scooter Ninja Racing parts," he explained. "Clothing is up 29 percent for us. We never really focused on it until Armadillo came along."

Canning said Partsforscooters.com satisfied a need for parts for non-traditional scooters. He said these scooter buyers couldn't afford expensive parts.

"For us, adding affordable, high-quality and high-performance products was key because it's reasonably priced for someone who spent the money on a non-traditional scooter," he said.

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"We added a more diverse selection of high-performance parts, trunks segment and windshields. Performance parts are significant because everyone wants to go faster. We'll be adding more as we move forward."

MRP doesn't sell to consumers, but says its recent purchases have improved its product offering for its dealers.

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*Tim Calhoun, executive vice president,
LeoVince USA*

"Many of the parts we purchased are OEM-designed, such as CPI out of Taiwan," Martin said, "meaning not just any Chinese part will work on it. Dealers looking for quality parts can come to MRP and get support for these products that have left the marketplace."

Many aftermarket companies said scooter exhausts are hot sellers for them. LeoVince's large four-stroke exhausts, for example, are popular.

"We have continued to see sales increases in our sport bike products, like the GP Pro and the new Unlimited exhaust," Calhoun says. "The 4Road large four-stroke exhaust contin-

ues to grow. I continue to see an increase in our 250cc and up sales. Entry-level 50cc scooter exhausts have slowed somewhat as consumers are not as concerned with mileage as they are with the convenience of having the added horsepower, comfort and carrying capacity of a larger scooter."

TK Exhausts, from Spain, are doing extremely well for MRP. "Also the TK Quannon 150 exhaust is kicking butt," Martin said.

'NOT THAT DIFFERENT'

Many companies point to customer service, quality products, product knowledge and trust as the major attributes that have allowed them to remain successful.

"We believe that scooter riders are not that different from any other two-wheeled segment," says Sportech's Anderson. "They expect a product to perform as advertised and want it to be clean, stylish and esthetically integrate into the bike. We incorporate premium materials, superior fit and finish and an overall automotive look and feel to present the rider with an incredible value."

Martin said MRP prides itself in creating a buying experience and staying away from brands that will sell consumer direct.

Canning agreed that exceptional customer service is crucial for success.

"It's one of the strengths of our company and they need to trust what we are selling them," he says. "They know they are getting correct information. Quality product is very important. Product fitment is crucial too. With our customer service and product fitment knowledge, it's easier for our dealers to make money and sound knowledgeable because we can supply this information with our product. We hear it time and time again with our dealers." **PSB**

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