



ADDITIONAL PROFIT CENTERS

BUILT TO THRIVE. IN SEASON AND OUT.

KEY LEARNINGS

Fixed operations departments provide additional profit opportunities for dealers

Dealerships are welcoming places where customers come back often

Riding Academy, EagleRider and H.O.G. are programs that invite people to the brand and keep them loyal

For Harley-Davidson owners, there are few things better than getting out and riding on a warm, sunny day with fellow riders. Because ideal riding weather is seasonal for much of the U.S., it's important for dealerships to have multiple profit centers that provide stability during the off-season.

Harley-Davidson understands this need and provides dealers several opportunities to earn profits beyond new bike sales. In addition to the seasonality factor, having multiple departments is a Harley-Davidson dealership's competitive advantage, providing the ability to offer an unrivaled selection of parts, accessories, clothing, rider training and more.

MORE OPPORTUNITIES FOR PROFIT

Fixed operations departments within Harley-Davidson dealerships provide a significant source of business income. **"General merchandise and parts and accessories play a huge role in our overall profit numbers,"** said Trevor Bird, owner of Durango Harley-Davidson. "Based on our market and market potential for motorcycles, we would not be a profitable dealership if it weren't for these areas of our dealership." Shelly Rossmeyer Pepe, General Manager of Daytona Harley-Davidson, also sees value in having multiple opportunities within the dealership to earn profits. "When it comes to overall profit numbers, there are certainly months where we make more profit in fixed operations, which includes service, over what we do in the sales department," she stated.

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NUMBER OF PROFIT CENTERS AT HARLEY-DAVIDSON DEALERSHIPS, PROVIDING MULTIPLE OPPORTUNITIES TO EARN ADDITIONAL PROFIT.



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The ability to customize Harley-Davidson motorcycles is a large part of the ownership experience. That's why **accessories play a key role in a dealership's business operations**. Maurice Slaughter, owner of three Harley-Davidson dealerships on the East Coast, explained, "The hidden value in a Harley-Davidson dealership is the personalizing of a motorcycle. Harley does an excellent job providing ways owners can personalize their bikes."

Harley-Davidson Financial Services (HDFS) offers another business opportunity for dealers. **"Through HDFS, we can earn extra profits**, whether it's selling financial products like extended service plans, guaranteed asset protection, prepaid maintenance or financing," Bird shared. "We offer financing to our customers at much more competitive rates than traditional banks."

A DIFFERENT TAKE ON DEALERSHIP PROFIT

Harley-Davidson dealerships typically have **more profit centers than their counterparts in the auto industry**. Owners are enthusiastic about showing their brand pride, making general merchandise a key area of opportunity for dealers. "We're unique because we get to bring a department store full of branded products into our dealership where we sell motorcycles as well," said Rossmeyer Pepe.

Also unlike many auto dealerships, **Harley-Davidson dealerships become a hub of activity that attracts owners on a regular basis**. "It's important for customers to become part of the family," explained Pete Eisenhauer, owner of two Harley-Davidson dealerships in Pennsylvania and Maryland. "You need to become friends with customers and be interactive. I love the Harley-Davidson brand, and I talk to any and all customers one-on-one. It's that mentality that's unlike owning an auto dealership."

ATTRACTING OWNERS AND BUSINESS

Harley-Davidson offers several programs that present business opportunities beyond fixed operations. Riding Academy is a course designed to get new riders comfortable on a bike and able to acquire the skills needed to ride with confidence. **"Riding Academy is a gateway that creates customers,"** said Mike Davis, owner of five Harley-Davidson dealerships in Ohio.



130%

ACTIVE H.O.G. MEMBERS SPEND NEARLY 130% MORE ON GENERAL MERCHANDISE, PARTS & ACCESSORIES THAN INACTIVE OR NON-MEMBERS.*

* Axiom LLC 2018 HOG Retail Purchaser Analysis



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The EagleRider rental program helps H-D dealerships welcome new and existing riders, making it possible to rent a large variety of Harley-Davidson motorcycles. **"Rentals are opportunities to draw people in who wouldn't normally walk into our dealership,"** Rossmeyer Pepe stated.

Harley Owners Group (H.O.G.) is the company's enthusiast club with Chapters around the world. H.O.G. unites owners through their mutual passion for riding and for the Harley-Davidson brand. Each Chapter is sponsored by a dealer, which serves as the central hub of the Chapter's activities, from rallies to rides, meetings and special events. **"H.O.G. really draws people into the dealership,"** said Eisenhower. "Generally, there aren't too many groups like that in the automotive world."

Harley-Davidson dealerships have many opportunities to earn additional profits, welcome new customers and create a culture that keeps owners returning time and again. From fixed operations departments like General Merchandise, to special programs like Riding Academy, EagleRider and H.O.G., **dealerships can thrive in and out of the riding season.**

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PETE EISENHAUER
HARLEY-DAVIDSON DEALER OWNER



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