

## Buying a Motorcycle

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It's been so long now that I hardly remember what it feels like to not have a motorcycle. Back then, I knew exactly two things about motorcycles. One, they were dangerous. So dangerous, in fact, that my family of anal-retentive Ashkenazi couldn't claim ownership of even one in the last 100 years. Riding a motorcycle, in my grandmother's eyes at least, is an experience only slightly less foolhardy than selling Israel Bonds at a Klan rally. The other thing I knew was that I wanted one. Unfortunately, I didn't know the first thing about motorcycles. I knew they had two wheels and that they were different from cars, but I didn't know anybody who knew a thing about them. So what did I do? I bought the first one I saw.

That actually worked out pretty well for me. Back in the late 80's, when I bought my first bike, there was a massive glut of cheap, reliable used motorcycles, the result of Honda and Yamaha's battle for market share in the late 70's and early 80's. I bought a 5 year old Yamaha XS650 from a dealer for the whopping sum of \$999. It had 1200 miles on it and ran perfectly for as long as I had it, even though it was heavy and buzzy and a nightmare to tour on.

But things are different now! New unit sales are less than what they were in the early 80's, so the pool of used bikes is smaller than it once was. Those cheap 70's and 80's UJM's (Universal Japanese Motorcycles) are now rusting away in landfill and salvage yards across the country, or taking up room wedged in between broken playpens and rusty weed whackers in a million suburban garages. Even when they have low mileage (and they usually do), resurrecting a 20 or 30 year old motorcycle is beyond the scope of most beginning rider's mechanical abilities and resources.

Because of a changed market and the aging of the motorcycle consumer, there are also fewer small displacement bikes out there for novice riders. New dealers generally push 600cc supersport machines or big, heavy cruisers on first-timers as their first bikes, with the predictable side effect of a large pool of abused, crashed 600cc sport bikes and scuffed-up, low mileage cruisers out there waiting for unwary buyers.

I want to give you the tools you need to decide what kind of bike to buy, how to find the best bike, how to get the best price, and how to make sure you don't get ripped off.

I've worked professionally in "Powersports" for over three years and have personally bought about 50 motorcycles. I've sold over 300. I've seen people make a lot of mistakes, and I've made a lot of mistakes myself. With that perspective, I'm going to try to keep you from making some of those errors and convert you into a successful, happy motorcyclist, in it for the long haul.

### Step One: Can I Ride a Motorcycle?

It's a condescending question, sure, but can you? Motorcycling is a skill that requires a certain basic level of coordination, balance and reflexes. If you can't learn to ride a bicycle, or you can't drive a car, please reconsider. Motorcycling is fun until you crash!

Also, can you legally ride a motorcycle? Check your state's licensing laws. Are you old enough? Can you get a license? Do you have a DUI and a license suspension? Can you deal with wearing a helmet? Do you have medical insurance? Can you afford to insure the bike you want? Will your spouse file for divorce if you show up at home on a motorcycle? There are lots of issues you should consider first. Sure, you can buy the bike first and work them out later, but a little forethought here can save you a lot of trouble! Every salesperson has at least one story about a bike he or she sold and then had to buy back (at a big loss to the customer) because they

couldn't keep it for some reason. Don't let that happen to you!

The best place to start is the friendly folks at the Motorcycle Safety Foundation. They will teach you the basics. Better yet, they will teach you the basics on their bikes and with their helmets, saving you money by letting you scratch their motorcycles instead of yours. That's worth the \$200 or so, the class costs right there. You will drop your first bike while you're learning. Oh yes, you will.

Another benefit of the MSF course is that in most states you automatically get your license, with no goofy DMV riding test required. You will also feel confident that you have the minimum skills required to ride from the dealership's parking lot without embarrassing yourself.

Think about it. Would you walk yourself down to the Bell Helicopter dealership, write a check, and try to fly a new helicopter home without knowing how to fly it? I don't think so. So why do people regard a motorcycle any differently? I don't know. But I do know there are lots and lots of stories about the idiot who plunked down \$10,000 for the latest, hottest superbike in the store and then crashed it in the parking lot with half the dealership watching. Every dealership has about two a week of these guys (and gals, oh yes indeed!) during the summer. Don't let it be you! Play MotoGP on your PlayStation in the meantime, but learn how to ride before you get the bike. Unless you're buying it from me, in which case you can learn after I get my money. Just kidding. Sort of.

#### Step Two: What's the Bike for Me?

That's the one question motorcycle neophytes ask the most. More accurately, they ask, "What's the best bike?", as if there is one motorcycle universally regarded as the best bike to buy. I then refer them to Soviet-era Russia, where there was only one motorcycle available, in which case the answer was easy.

However, here in the Land of the Free, we are blessed (or cursed) with a ridiculous number of choices. The 2005 Cycle World Motorcycle Buyer's Guide lists over 300 models! And that's just the new stuff. Add in used and you have a dizzying array of bad decisions you can make.

But don't fret. Picking the right bike for you is as simple as figuring out what kind of features you want (or need). So sit down and write out a list of things you feel the perfect motorcycle should have. Please try to keep the list limited to things that actually exist. Automatic transmissions, cupholders, anti-tailgater lasers and soda machines would add too much expense and complexity to a vehicle. Remember that motorcycling is a minimalist experience, so try to keep your list short.

If I was an 18 year old college student thinking about getting a first bike, I would figure what my average usage would be and jot it down. I might need the bike to get from my swinging bachelor digs to the campus 3 miles away on city streets, and then to get to the train station on the other side of town so I can get home to see my folks on weekends. There's nothing worth seeing for 100 miles around the college town where I live, so I don't need to get on the freeway. I can park a motorcycle on campus for free, but a car costs \$6 a day so I can't afford that. The speed limit in town is 45 mph.

Most importantly, I have \$2000 to spend, and I won't have much income for maintenance. I don't have a girlfriend, but I'm one of these groovy guys with a guitar and I play in a band sometimes, so you know I'm going to need something that can take a chick on the back.

So here's what my purchase should have:

- \* Be able to go at least 45 - 50 mph
- \* Be very reliable and cheap to maintain
- \* can carry a passenger
- \* have a luggage rack for my guitar
- \* Be inexpensive for an 18 year old to insure
- \* Look cool enough so I can get laid.

Notice what it doesn't need to have:

- \* 160 mph top speed
- \* cutting edge styling
- \* Touring luggage capacity
- \* Full Ohlins racing suspension
- \* Candy machine

A clever guy with a pocket projector could set up a database-style software program that could easily compare features like weight, price, top speed, insurance cost, looks (on a subjective 1-10 scale)etc and match them up to what a buyer wanted. Dating services probably use something like that. But we have to trust our friends, family, internet chat buddies and (shudder) salesmen to help us make the right choice.

So once you know what features you want, you can start looking around in various media to see what's out there that matches your needs and desires. The internet is always a great place to start. If you live in a large city, your library might keep back issues of motorcycle magazines in their periodicals section. Just ask the librarian to see the periodicals index and look up the make and model you're interested in by year. Keep in mind that most motorcycles are introduced and written about in the year before the year they are introduced.

It's actually much easier than it sounds. Most categories in motorcycling have a few obvious best choices in them. And when I say "best", you should consider not just features like price, reliability, performance, etc., but also things like availability, dealer support, and maintenance costs. The Royal Enfield might be a very good basic standard motorcycle indeed, but there are no California dealers, so if you live in Bakersfield you might want to consider a different bike. The Ducati 999R is a winning sportbike and the fastest thing at a lot of racetracks, but the engine is a high-revving, peaky bundle of nerves, so it might not be the thing for your daily 30 mile commute to the gravel pit.

You've done all your research, talked to all your friends, and read all the message boards and FAQs online. You have your money, or at least your credit is sufficient to allow you your purchase. Now you just have to find your motorcycle. Just like finding your true love, your motorcycle is out there, waiting for you, and now you're going to find it, right? This is easy. I mean, it's easy to find your favorite brand of razors or dish soap, so you just walk on down to the motorcycle shop and buy it, right?

Well, we wish. The problem is that we motorcycle folks are thrifty types who like to feel we got the best deal. But is that buying new from a dealer, used from a dealer, used from a private party, or even a salvage title? Let's look at these different ways of finding our new true love.

#### Saved From the Dead: Buying a Salvaged Bike

Like Lazarus, salvage title motorcycles are those which have been crashed and purchased from the owners by a salvage yard or insurance company. When this happens, the vehicle is declared a "total loss" by the state's DMV and has the title taken away- legally reducing the vehicle to an assemblage of spare parts, not to be

ridden on public roads.

What that means is that the next owner has to create a new title for the vehicle, which will be marked as "salvage" by most state DMVs. Some states allow the title to be resurrected as "clean" after some kind of inspection, but most states, like California, don't. The motorcycle is forever marked as a salvage title vehicle, which seriously affects the value.

All a "total loss" means is that the cost to fix the damage would exceed the value (or sometimes, less than ... the value) of the motorcycle. For a late-model sportbike, a "total loss" can be declared by an overworked insurance adjuster glancing at superficial damage caused by a low-speed low-side. I've seen salvage bikes with plenty of scuffing but still 100% safe and drivable.

I got into a Honda CBR600F4i with 2500 miles on it for \$2800, or about 1/2 it's actual value. Sure, it needed instruments and a fairing, but I got all that stuff off of eBay for about \$400. It's not pretty, but it beats walking- or paying \$6000 for a clean titled used motorcycle.

Sometimes, though, there can be hidden problems the salvage yard knows nothing of. There's lots of "squids"-reckless, know-nothing pinheads- purchasing sportbikes brand-new to practice their stunting and street racing or God-knows-what. These people mash gearboxes into oblivion and ignore maintenance, so test ride the bike or bring a mechanic with you before you buy one of these!

A note about gearboxes: sportbikes are designed to be light and easy to shift, so the transmission components, like shift forks and dogs are lightweight and easy to damage. Sometimes the damage isn't apparent on the quick around-the-block type test ride most of us do, so really be careful here! Transmission damage makes a cheap sportbike completely unaffordable.

Another factor to consider when purchasing a salvage motorcycle is titling it. Please be sure to research registering a salvage motorcycle before you buy. Your state might have such a draconian procedure to resurrect title that it might be more sensible to buy a clean titled bike. There might be expensive parts required to pass a safety check that aren't available used. Or, most importantly, your insurance company might not insure your Frankenstein's monster at all.

You really can save money and get a good motorcycle buying salvage, but it's easy to get fleeced, too. Salvage yard owners tend to be a little less customer-service oriented than motorcycle dealers (but I know there are exceptions, so please don't take offense!) and might take advantage of an uneducated seller with a big wad of cash. The bottom line is the same as making any other kind of purchase, only more so: do your research and be especially wary.

#### Second Hand Rose: Buying Pre-Owned from a Private Seller

Buying used from a private seller can be an amazing way to save some big bucks, but you can also get royally screwed. I've had it both ways. (Shut up, Sean!)

The best advice I can think of about buying used from a private seller is this: make condition more important to you than price! It's rare for two identical year and model motorcycles to be more than \$1000 apart in price, and that \$1000 gets eaten up quickly by tires, (\$400) chain and sprockets, (\$300), steering head bearings, (\$100), or just a good old-fashioned tune-up (\$400+). I was besieged at the shop I worked at in San Francisco's inner city by customers looking for the \$1000 motorcycle they would fix on the installment plan. That's not such a sound plan, economically. They would wind up dumping hundreds, even thousands of dollars into their

1980's zombie-bikes, and what would be the fruit of their labors? A \$1000 motorcycle they spent \$3000 on. It's better to buy a sound bike that only requires inexpensive routine maintenance than a Courtney Love-like beast that needs to have everything replaced.

There are some great websites with tons of technical information about inspecting used bikes, and you should check them out. If you have a choice, you should lean towards buying from a reputable, older person with some obvious standing in their community. They should appear stable, with a nice, clean garage. Avoid thin, pale people in black clothes with bad teeth unless you're in England. You should write a contract with a full understanding of all the terms of the deal.

Take the bike to a mechanic before you buy. Take it to a shop that doesn't carry the brand you're interested in (unless the mechanic doesn't know how to work on that brand!): the shop might tell you the bike you're checking sucks so you'll buy a new one. This is usually a pretty big hassle, especially if you're considering a lot of different motorcycles. Ask the seller if he'll share the expense with you, or at least if he'll meet you at the motorcycle shop. His or her response will give you an idea of how trustworthy of straightforward they are.

If taking the bike to a mechanic is impossible, learn how to do some basic checks yourself. If it looks lengthy and intimidating to you, you might want to spend the extra \$2000 or so for a new bike! Buying new is worth every penny, if you can afford it. But many of us can't, or we just love the thrill of saving the extra money.

Write a checklist of items to inspect. Most importantly, you want to get an overall sense of a motorcycle that is clean and well cared-for. I just sold a 1993 Honda Shadow 600 that looked and ran like a brand-new bike. That's the kind of bike you want. Rather than focusing on price, mileage or year, look at the owner and how she cares for her possessions. A 300-point checklist is great, but you will find that after looking at five or 10 items, you will have a good idea whether the bike is worth buying.

Basic maintenance is key. Is the chain lubed or dry? Loose or tight? Shiny or rusty? Is the engine oil clean or dirty? Has the air filter been changed lately? Is the bike clean like a clean bike, or clean like a bike that just got a detailing? Are there scratches all over, or just from one tip-over? Are the tires bargain bin specials or tires you would want to actually ride on?

Speaking of tires, they really do tell you a lot about the seller. Learn how to read tire codes! If the tires are over five years old, find out why, and add the cost of new ones to the price you will pay for the bike! The same goes for tune-ups, chain-and-sprockets, and other wear items.

### Reading Tires Dates

Reading the date on your tire is very easy once you learn it, and is very impressive to laymen. It can actually save your life, especially if you are buying a used bike, or getting tires mail-order.

It's simple: the date is final three or four-digit code stamped into the small oval area on the sidewall after the word DOT. The first two digits are the week of the year, and the last two digits are the last two numbers of the year. If it was made before 2000, it's just the last digit of the year, hence a three-digit number.

For instance, 1202 is the twelfth week of 2002: the last week of March. 109 is the tenth week of 1999, or possibly 1989. You should be able to figure out if the tire is a 1990's tire or a 1980's tire by brand and model, although Metzler has been making ME33's since about 1874. Don't worry about the tire being from the 60's or 70's: they didn't start using the code until sometime in the 80's. If you are wondering whether or not to keep a 1970's tire you should abandon motorcycling for something safe, like model yacht racing or breeding pot-

bellied pigs in your tub.

Now that you know how to read tire dates, you can pick the freshest tires at the motorcycle shop, or send stale tires back to the mail-order warehouses like a wine snob at the Olive Garden. You will briefly impress your friends when you tell them how old their tires are, and then become annoying.

So now we know the motorcycle is worth buying. How do we put the squeeze on the seller so we can get it cheaper?

An inexperienced and desperate seller will quickly reduce his price to make you happy and buy. A more experienced and less desperate one will be tougher to get concessions from. But is the bike worth the price? Will somebody else grab it first if you "think it over"? Remember, condition is more important than price. If you spend \$500 too much, your regret will disappear as soon as you have another \$500. If you save \$500 by purchasing a lemon, you'll regret it every time you ride or even look at your bike. The regret will last until you sell the stupid thing to some other idiot.

Don't turn this into a battle of wills. If you want to beat the seller at something, challenge him to some one-on-one basketball. Chances are he has a hoop nailed up over his garage. But if he has a very nice motorcycle at a fair price, snap it up.

Of course, you have nothing to lose making a lowball offer on the motorcycle, as long as you do it with good humor and respect. Don't make it so much lower than your maximum price that you will look like a jerk when you do pop the extra \$1000 out of your back pocket after you told the seller that you had to dip into your retirement fund to scrape up \$3800. But sometimes people list a price way higher than what they really want to get for a bike. That's why it's a good idea to be educated: know what that year and model is selling for in your area. Sure, Honda Hawks sell for \$1,500 in Alabama, but you're in San Francisco, so you pay more. If you don't like it, live in Alabama. See how you like that! (And you might: Alabama is a great place to live. If you're a banjo. I'm kidding. Banjos warp from the humidity.\*)

Once you've agreed on a price, write a contract in clear, simple language if there's anything you and the seller have promised each other. Make sure each of you has a signed copy. Then, make sure all the paperwork is in order. Double and triple check the VIN and engine numbers- errors here can cause headaches with your DMV! Find out if there's any extended warranty or service plan. Make sure there is no lien on the bike, or that you have all the pay-off information if there is one.

You should have a good feeling about this whole transaction by now. I think buying used from a private party is a very satisfying way to buy a bike. You can save a bundle of money and make a good riding buddy. Be prepared to spend a little more than you'd like, be willing to travel a hundred miles or more, and make sure you look at a few bikes before you buy. And don't worry: if it's right, you'll know it's right, and don't be afraid to walk away from the deal that makes you uneasy.

### The Economics of New Motorcycles

So, you've decided that buying somebody else's used bike doesn't appeal to you. This is understandable; you never truly know where that thing's been. People sell bikes that were raced, stunted, crashed, abused, and all kinds of awful things. And one guy's idea of "well maintained" might not be your idea of well maintained. For instance, my idea of "maintenance" is to lube and adjust the chain every few thousand miles, change the oil when I feel guilty enough, and sell the mess before it hits 20,000 miles.

The main objection folks have to buying new is price. Motorcycles are expensive, especially compared to home appliances like dishwashers or microwave ovens. However, when you adjust for inflation, a good 600cc sportbike is only about 1,600 bucks in 1970 dollars. Of course, the 1970 sportbike had spaghetti for a frame, horrid brakes, crummy electrics, shook like Ray Nagin in the Superdome, and made all of 35 horsepower on a good day. When you consider what you get when you buy a modern motorcycle, it's a pretty good value regardless of model or brand.

But I don't need to talk you into this, right? You've already committed to purchasing a new motorcycle, so let's figure out how to do this right. Naturally, you want the best price, but most consumers don't buy just based on a Pentagon-style "lowest bidder" scheme. Service, selection, and being acknowledged as an equal are very important to people. Remember that you can't ride a price tag.

### How Motorcycle Dealers Make Their Money

Like any other retailer, motorcycle dealers make their living by purchasing motorcycles from a manufacturer or a distributor and then selling them to the public for a profit. In general, motorcycle dealers are not wealthy people. Few make a million bucks in the motorcycle industry. Most of them are very hard working people with an expectation to live a comfortable life while doing something they enjoy.

Of course, there are exceptions. Every one of us has had a negative experience at a dealership. Maybe you were ignored for a while, even though you were a serious buyer. Perhaps an inexperienced salesperson made you lose all confidence in that dealership. Or you might just have realized the dealership was taking advantage of buyers by overpricing their products to an extraordinary degree. Horror stories abound, but for the most part, motorcycle dealers just want to make you a happy customer while making enough profit to stay in business.

How do you make customers happy? Just offering the lowest price is a slippery slope for dealers. Somebody can always beat you on price, and in any case customers don't buy based on price alone.

How much they pay for the motorcycle is a closely guarded secret that you have to pay an intelligence service to leak this proprietary information to you. I can save you some money right now: there's a 12-18% margin on new motorcycles not counting such things as added margin on freight and vehicle preparation or the "holdback". Aside from making a profit on the vehicle's margin, dealers also make money on financing and "add-ons" like extended service contracts (also known as extended warranties). In addition, the dealer usually tries to make as big a profit as possible on your trade by getting it for as cheap as he can.

How much they will make on your trade is easy to figure out: go to Kelly Blue Book online and look up the difference between your motorcycle's wholesale or trade-in value and the suggested retail price. Used motorcycles can be a tremendous profit center for motorcycle shops; they offer a better margin than almost any other product or service the dealer offers.

That's what the dealer is hoping to get from you: some profit, return business to his service and accessory departments and plenty of referred customers. He'll have to balance those three goals off of each other. To do this, he relies on a team of professionals called a sales department. Like any professionals, they follow rules, practice their procedures and have regular goals they aim for. You should know more about these people and how they work before you go face off with them.

### Sales

The sales team generally consists of your salesperson on the sales floor, a sales team leader in a larger

dealership, and the sales manager herself. After you say "yes", you will meet the "F & I Manager" to do the DMV stuff and help you with financing.

The Salesperson Your salesperson is the most important part of this team, as they interface directly with the customer. The salesperson is in a tricky position, as they have to balance your interests against their own and the dealership's, and generally all three are at odds with each other! It's a tricky job, so in my experience less than 20% of them do it with any level of brilliance. There's a lot of turnover here, and a sales floor crawling with lots of inexperienced people you don't recognize from a month before is a sign the dealership might not be the best place to work if you're a salesperson, which means it might not be a good place to do business in overall..

Isn't it better to have an inexperienced salesperson? You would think he'd be more likely to cave in to give you a better deal. But that could backfire: you could spend a lot of time while he gets dressed down by his managers, only to have to go back on what he told you to make you happy and interested in him. If you have a "green pea" salesperson, be patient and expect him to be a slow-transmitting mouthpiece for management.

Will you pay more to have an old hand at the wheel? All a professional salesperson does is remove obstacles to your goal of purchasing a motorcycle at her shop. To do this, she will use clever language and techniques, honed over thousands of years, to get you to purchase the vehicle the same day at the highest price you can stand. If your price isn't high enough for the shop to want to sell the bike, they won't sell it and you won't buy it.

The Sales Manager: The Sales Manager is a seasoned sales professional, if the shop is lucky. One thing that seems true about sales managers everywhere is that they are very busy, usually doing three things at once, especially on those busy days in a dealership like Saturdays and Sundays. That's why when the salesperson goes to talk to the manager it sometimes takes a long time.

This person's responsibility is to make sure the store is selling motorcycles at a profit while keeping the customers, the service department and the DMV happy by following all the rules.

In larger dealerships, a sales team leader will be keeping the junior salespeople in line, but will usually stay out of the picture, until the salesperson feels he's losing the customer: then you will be introduced - "turned over" or "TO'd" in sales parlance - to him. He'll ask you questions to determine if there's any chance of salvaging your sale, and what the salesperson did or didn't do that caused you to attempt walking out the door.

Here's something to keep in mind about all these players: they do this a lot. I've been riding for 18 years and have bought about 30 motorcycles for my personal use, which is a lot, I think. But in my first eight weeks of selling motorcycles at a small dealership I sold 30 vehicles, and I probably talked to about twice that many serious buyers. If a salesman's been working for ten years, he's done it thousands of times! You might be more experienced than many buyers, but you aren't more experienced than a seasoned salesperson. Not understanding this can make you an overconfident mark, a chicken ripe for plucking, or something that rhymes with "plucking."

### The Process

I know many customers wish they could just waltz into a shop, pick a bike, get approved for credit, pay the invoice price, and ride off. But according to the sales profession, if that were allowed, mayhem would ensue. And certainly no shop that makes a profit allows the customer to make the rules and play his own game. There's a sales process that every salesperson, in every industry, follows.

### 1. The Greeting:

"Can I help you?"

If you get this when you walk in to a shop, something is wrong. I would leave or look for a real salesperson for help. "May I help you" is going to trigger an automatic "just looking" from the customer, so a salesperson using that as an opening has no idea what he or she is doing.

An effective salesperson will approach you as a fellow motorcyclist, interested in you as a person. The greeting is designed to build a little rapport between customer and salesperson and should not involve anything about selling or buying. The salesperson wants you relaxed, and there's nothing wrong with that, so relax.

### 2. The Probe:

"So what brought you into the store today?"

Here the salesperson will be trying to find out what sorts of things you want, and what kind of buyer you are. By the end of this step, she should know what kind of motorcycle you want, how much research into his brands and his competitor's you've done, how much you know about motorcycles, and anything else you've let go.

You can approach this two ways: with honesty or secrecy. The latter approach will almost guarantee you don't purchase a motorcycle, where the former will usually result in a sale.

But if you're unprepared, if you haven't done your research, if you don't know if you can be financed or not, you will be throwing yourself on the shop's mercy. Be prepared, and if you know what's going on, you won't be putting yourself at a disadvantage by being open and honest with the dealership. After all, don't you expect the same from them? Use this session to find out about the salesperson, the dealership, any any other background you want to know.

### 3. The Demonstration:

"Why don't you swing a leg over `er?"

Here is where the real salesmanship starts. The salesperson will try to get you to sit on the bike while she points out the features she thinks you're interested in. Each feature will have an advantage to it, with a benefit to you. For instance: "The 250 Ninja weighs just 308 pounds dry. This means very light and responsive handling, which means you will ride faster, smoother and safer." It's like the 250 Ninja is custom built for you, right? Don't you feel special?

A good salesperson should have tailored a demonstration to you with the bike you want, discussing only the features you're interested in. This is where you can tell if the salesperson has been listening to you, or if he just wants to show off how much he knows. Listen to him, and don't try to show off how much you know. You might learn something - something that might keep you from buying the bike, or committing as much money as you thought you wanted to before.

### 4. The Trial Close/Close:

"Are you going to take the red one or the blue one?"

At this point, you are so consumed with retail excitement that you are ready to sign anything to take that shiny new bike home today. You know you'll be able to talk them down to your price once you show them how serious you are in the sales office.

The salesperson can sense this, so he will use some kind of assumptive language to measure your buying resistance. He will say things like, "Do you want us to deliver it for you?" or, "Aren't your neighbors going to be surprised when they see you rolling up on this thing?" or my personal favorite, "Are you going to finance or pay cash?" (I like the classics).

If she is saying this kind of thing, and she is a good salesperson, it means your buying resistance is about zero. Be careful! Or don't: if you are ready to buy, you're ready to buy. It's time to go into the office to talk about money.

#### 5. Sit Down/Write-up

"What do we have to do so you can take this new bike home today?"

Now you are sitting in an office or cubicle on the sales floor and your intrepid salesperson is busily scribbling your name and contact information onto a worksheet. You might be wondering why this person doesn't just tell you what the shop's best price is so you can go home and mull it over.

Believe me, you won't get this information out of your salesperson without a large commitment of time and effort in most cases, so don't get frustrated when they tell you they have to get this form filled out or that application signed before they can discount the vehicle. Any other response would see them disciplined or fired by management.

#### Price-shopping by Phone or Internet

Modern communications have helped and hindered the motorcycle dealer's mission of making maximum profit on everything they sell. On one hand, they have a better idea of what the competition is doing right and wrong. On the other hand, customers can often access information that can cost the dealer much of the profit, or even the entire sale. Customers often call a competing dealer while sitting in the sales office!

The problem with shopping by phone or internet is that a salesperson can - and will - say anything to get your boots in her showroom. Getting you there is half the battle: once you are inside, the chances of selling you something increase to something over 50%, even if you have a negative perception of the salesperson or the shop. They can tell you half-truths by not quoting certain fees like freight and set-up, or they can just quote you a price on another model and say they misunderstood you. Most commonly they will just give you a bit of a run-around when you try to get a firm price: "just come on down, we'll work you a hell of a deal" was my response.

Still, how a salesperson answers the phone can tell you a lot about the shop, how they do business, or what kind of inventory they have, so don't hesitate to call them up. Once you are in the shop, make sure you talk to the salesperson you spoke to on the phone. She will be grateful and more inclined to work harder to save a deal from going bad. The Internet is basically just another form of telephone for sales purposes. However, a printed-out email or price-quote is much easier to prove than the word of an anonymous salesperson talking on the phone, so make sure you print it out and bring it in!

At some point, the salesperson will present you with a piece of paper called a "worksheet" or a "four-square." It will most likely have the full MSRP of the vehicle, with all taxes and fees. If you told him you were financing, there will be a huge down payment and an unaffordable monthly payment next to that. He will ask you to sign so he can "start the paperwork."

This is where your mealy experience as a vehicle buyer is clashing with thousands of years of experience selling vehicles. You will make an offer much lower than MSRP, with a lower down and monthly payment. The salesperson will make huffing and sighing noises, and say something like, "I don't think we can do that - there's not a lot of room in these things, but let me see what my manager has to say." He will then walk out, promising to be "right back."

This might take a while, especially on a busy day when two or more salespeople might be clamoring for his attention, so be patient. They usually want your business! Don't schedule anything else to do that day, and for the love of God, please leave your dogs, cats, children, golfing partners or other non-decision makers at home. Bring a book, video game or something to do while you're waiting. Expect a vehicle transaction to take at least four hours.

Where did he go, anyway? He really did go to the sales office to talk to a sales manager. In the office, he will explain some details about you and what you want, and the sales manager will do a little research into the unit you want and your relationship to it, as well as how his month is progressing, how much money your salesperson has made or will make, how easy the bike is to get, etc. He will then formulate a bottom line for this particular sale, and then take \$75 off of MSRP and send the salesperson right back to you.

What the...? \$75! Are they serious? That's not negotiating! But it's a wise tactic. You were probably asking for an enormous discount, usually \$2,000 or more. But how are they to know that you really want all of it? Did you truly give them your "highest price?" This way, any concession they give you will seem more significant than if they had knocked \$500 right off the top, just for asking.

In Herb Cohen's famous 1980 book, *You Can Negotiate Anything*, he outlines a great many strategies for getting your way, and I recommend you check it out. In the book, Cohen points out that you get your way if you have some power to wield. Power can manifest itself in many ways. One is in having information. Know how much they can realistically sell the bike for. Another is that of investment. The more time and energy the dealership spends with you, the more they will invest to "win" your business. Yet another is risk-taking. Don't be afraid to stick to your guns, if you have done your homework and know it's reasonable. Just remember, they want this sale as much as you want the bike, so be honest about what you want and don't be afraid to ask for it.

And finally, don't be afraid to walk out. Unless this is the last bike in the last dealership in 500 miles, another opportunity will present itself. Being prepared to truly walk out the door, even with four or five hours invested, gives you a mighty weapon against the sales department. The time and energy of the sales team and the dealership are valuable and expensive, but your time is free, if you had a day off anyway. Don't be surprised if you get a phone call soon after you walk out with a surprisingly generous last-ditch effort to salvage the sale.

## 6. F & I;

After you say "yes" to a price, you might be ushered into a room with a whole other person, the F&I Manager. This stands for "Finance and Insurance", although it is less and less common for dealers to offer insurance for their customers. This person will explain your financing terms, do your DMV paperwork, and sell you some add-on products.

One of the biggest issues customers have is financing rates. They are usually shocked, after years of being bombarded with ads for low auto financing rates, to find that motorcycle loans are often at much higher rates. Make sure you ask if there are any special rates available for the make and model you want, as factories offer special deals for the bikes they want to move, and find out if your own bank or credit union will finance for less. But also keep in mind that a point or two of interest on a \$6,000 loan will only save you a few hundred dollars over five years, much less over three.

Some of the add-ons you will be offered include:

\* **Gap Insurance:** Gap Insurance is worth it, especially if you have a small down payment. The insurer will pay the "gap" between what the vehicle costs to replace and what you owe on the loan, rather than just paying off the loan like your comprehensive insurance will do. This means if you total your bike, you will have some money left over after they pay off the bank to get into a new bike so you can do it all over again.

\* **Extended Warranty:** Sometimes this is a good deal, sometimes not. Some brands tend to have a lot of warranty issues, some not. The price of your warranty will reflect this. Also, make sure the extended warranty is transferable and useable at any dealer. And keep in mind that you can "cash in" the unused portion of your warranty if you change your mind or sell the bike later on.

\* **Service Plans:** This is an opportunity to pre-pay your vehicle's servicing at a lower rate. This is a good deal if you plan on staying near this dealership and keeping this motorcycle for the length of the plan.

Lastly, all these "add-ons" have profit margins built into them. How much depends on the product, but don't be afraid to walk away from it if they don't move on the price. Extended warranties can be purchased at other dealers, or you can purchase it in a reasonable time if you change your mind. There's a tendency to overbuy once a customer is approved for financing, so try to stick to your budget!

I hope I've given you some ammo to use against a very wily and competitive industry. Remember to do your homework, don't take anything personally, and that motorcycles are fun, so have a good time shopping!