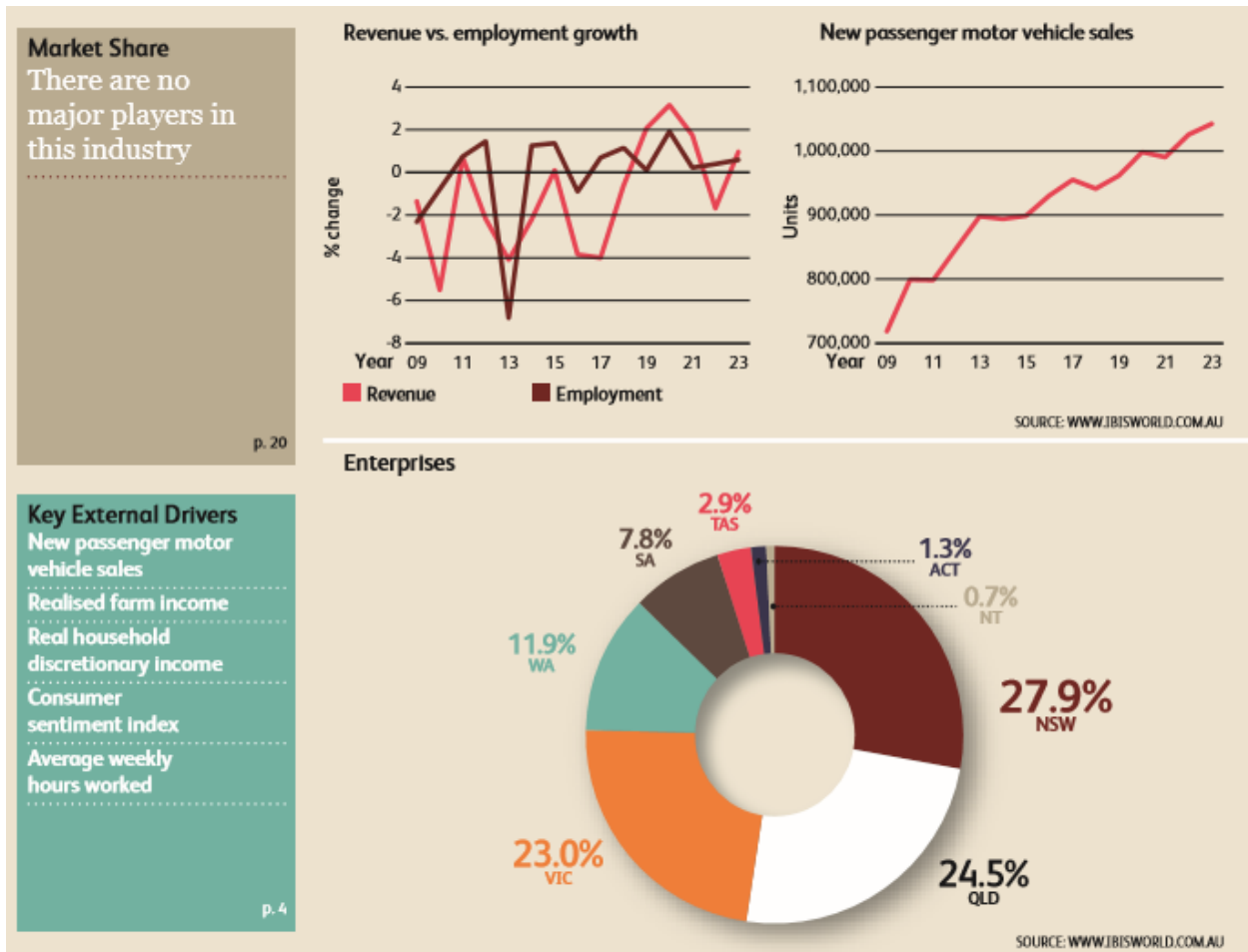


## 2016-17 Industry snapshot: Motor cycle dealers in Australia

Motorcycle dealers primarily retail new and used motorcycles but also sell all-terrain vehicles (ATVs) and motor scooters. Firms that sell motorcycle parts and accessories and provide vehicle servicing are excluded from the industry (Wu,T. IBISworld. Jun 2017)

<b>Revenue:</b> \$1.6bn	<b>Annual growth 2012-17:</b> -2.8%	<b>Predicted annual growth 2017-22:</b> 0.9%
<b>Profit:</b> \$104.4m	<b>Wages:</b> \$187.5m	<b>Businesses:</b> 720

(Wu,T. IBISworld. Jun 2017)



(Wu,T. IBISworld. Jun 2017)

### Industry summary

- The shift in consumer preferences towards lower value used motorcycles and negative consumer sentiment has resulted in an annualised 2.8% fall in revenue for motorcycle dealers over the five years through 2016-17.
- Industry revenue is expected to fall by 4.0% in 2016-17, to \$1.6 billion.

- Although consumers are using motorcycles as a more fuel efficient mode of transport (this is growing), demand is down as consumers have less time available for leisure and recreational riding.
- Motorcycles are often considered a discretionary purchase.
- The industry is highly fragmented with each enterprise generating less than 2.5% of total industry revenue.
- Most dealerships are small and independent. However, some consolidation is occurring.
- Many dealers engage in franchising agreements (sometimes multiple agreements simultaneously) with major manufacturers such as Honda, Yamaha, Suzuki, Kawasaki and Harley Davidson.
- Cheaper and more fuel efficient cars are negatively impacting on consumer demand for motorcycles.
- As motorcycles are predominantly imported, a weakened Australian dollar negatively impacts demand.
- Industry revenue is forecast to grow at an annualised 0.9% over the five years through 2021-22, to \$1.7 billion.

Source: Wu, T (August 2017). IBISWorld industry report F3912: Motorcycle dealers in Australia.