



Return To The Golden Age

Scooters Are Back And Putting Some Dealers In The Black

They were all the rage back in the 1960s. Lambretta, Vespa and a few other lesser-known scooters were sold as cheap transportation to mostly high school and college students in high-density metropolitan areas. As British and European motorcycles lost out to the Japanese makers, scooter sales also began to tank.

Inexpensive motorcycles made by the Japanese OEMs had the required reliability, availability of parts and very reasonable prices. That all but relegated the scooter to history ... or so it seemed.

Now, almost a half-century later, scooters are once again a growing segment of the powersports market. The Chinese makers began the revival. They started exporting 50cc to 125cc scooters of questionable quality to the U.S. Soon they found that American buyers wanted higher quality and, more importantly, a reliable supply of spare parts along with competent service.

As is the case with trends, a rising tide raises all ships. The European makers re-established their U.S. distribution, began advertising and found the love of scooters had simply skipped a generation or two and was now back. We even have Lambretta set to rejoin Vespa in the U.S. market.

In addition to coming full circle, we now go global. One European maker had agreed to supply a Chinese company with their 180cc engines. The Chinese caught on to the fact that they need to improve quality and establish a more reasonable supply chain of replacement parts to their U.S. distributors. At the same time the Chinese government realized that they could no longer look the other way when it came to recognizing copyrights and patents. The report from the Chinese indicated that few of the more than 100 scooter manufacturers were profitable. They were constantly undercutting each other, especially in the small displacement markets of the Far East.

China is experiencing phenomenal growth in all areas of manufacturing. That includes everything from textiles (no more quotas to stem the exports to the U.S.) to auto parts, electronics, computers, small appliances, etc. In fact, China supplies more products to Wal-Mart alone than to all of England and Germany! Considering that Wal-Mart is just one company, albeit a giant one, you can see the emerging impact of China on all things Americans buy.

We'll soon see an expanding market for Chinese-made large displacement scooters and "real" motorcycles, too. However, that's another story. The Japanese OEMs took a more serious look at their scooter market and

began to realize that scooters, like motorcycles, have the ability to appeal to a wider market than previously thought.

Now that the macho "Baby Boomer" generation is giving up some of its *machismo* in favor of raising and educating their progeny, they no longer find it an imperative to buy the biggest and fastest bike on the road. Their offspring, known as the "Echo" generation, seem to have opted to forgo the macho phase of their maturity in favor of more productive pursuits.

Much has changed in America during the past 50 years. Forget the obvious gas prices, more substantive changes include even higher population density, even fewer parking spaces, gridlocked roads and increased use of mass transportation in areas where they were foresighted enough to create mass-transportation systems. Not all major markets were so foresighted.

What benefits do scooters have over motorcycles? As a dyed-in-the-wool motorcyclist I'd quickly respond: "None." However, I'd be wrong. Scooters are easier to maneuver in very slow and tight traffic. Most have built-in storage. Most have the ability to carry a passenger.

The Japanese makers saw this shift in market perception as an opportunity to do two things: refocus on the scooter and blur the lines between a scooter and a motorcycle. For the last few years Suzuki and Honda have been producing and exporting large displacement scooters (up to 650cc) with the ability to run at high enough speeds to keep up with traffic on fast moving (often faster than the posted speed limit) Interstate highways.

Are there any disadvantages to scooters? One given is that scooters have smaller diameter wheels and tires. In Europe where potholes are relatively rare that's not a problem. (*Editor's note: John how can you tell if a cobblestone street has a pothole? Just kidding*). In the U.S. where potholes are not so rare and often deep, it is a problem. Obviously. The Japanese OEMs are aware of that and have much larger wheels and tires on their large displacement scooters. That feature alone is at least in part responsible for the blurring of the line between scooters and motorcycles.

So, what will the future hold? I expect to see a considerable amount of sorting out during the next few years. First, we'll see even more Chinese scooter companies entering this country, at least for a short time. Some of them will spend more time and effort to understand and supply our market, others won't; they will leave the scene when sales don't meet their

expectations and quality problems become too much trouble.

The European and Japanese makers seem to be more in tune with the American dealers and will do whatever they feel is necessary to develop the scooter market. Gas prices will continue to escalate, our roads will continue to become more crowded and parking spaces will continue to diminish. I expect that high schools, colleges and universities will realize the change and make more parking available for scooters. These institutions of higher learning surely must know that three scooters can fit in the same space as one car.

The overall scooter market, in my opinion, will continue to grow. Some dealers will focus more on scooters while others will focus on different niches. I expect to see scooter sales grow more rapidly in major metropolitan areas than in rural America. Large displacement scooters will begin to catch on, but it will take clever marketing from both the OEM and the dealer.



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If you have not taken a test ride on a scooter recently — say in the past 20 years or so — I suggest you do so now. When you do, you'll discover they have indeed changed for the better. Then, if you have the opportunity to do so, try to take a test ride on one of the large displacement maxi-scooters, and you'll see how well they handle and how easy they are to maneuver.

The inhibitor to growth of the scooter market is like the inhibitor to the growth of the recumbent bicycle market: "Recumbent bicycles just don't look right." Most hardcore bicyclists don't consider the recumbent to be anything but an anomaly ridden by a kook.

However, the Echo generation doesn't really seem to care about such things. They are your future, Mr. Dealer. Cater to them and you can cash in on the growing scooter market. Keep your head buried in the sand and you may miss the boat entirely — time to sink or swim! 🏍️