

# Polaris Uses Innovation to Throttle Its Side-By-Side ATV Competition

Companies: ACAT, DE, DOO, PII, TYO:7012, TYO:7267, TYO:7269, TYO:7272

October 1, 2014

## Research Question:

**Is Polaris maintaining its stranglehold on the side-by-side off-road vehicle market, or are competitors beginning to take share?**

## Summary of Findings

- Twenty of 22 sources expect [Polaris Industries Inc.](#) (PII) to maintain its dominant share position in the side-by-side all-terrain vehicle (ATV) market, thanks to the company's innovation and ability to anticipate consumers' interests.
- Japanese manufacturers lack such innovation and present very little real threat to Polaris.
- The side-by-side ATV market is growing, and Polaris is the main beneficiary. Sales for all other ATVs have been steady to down year to year.
- Expectations are high for Polaris' [Slingshot](#), which will be released in late October. Dealer sources permitted to sell the Slingshot reported having more prepaid orders for the reverse trike than for any other previous vehicle.
- Polaris' [Sportsman ACE](#) ATV has been only a moderate seller, but the 2015 [Sportsman ACE 570](#) has a more powerful engine and is expected to post better sales.
- Sources' 2014 Polaris inventory largely is sold out.
- One multi-brand dealer said [Honda Motor Co. Ltd.](#) (TYO:7267) pressured him to order a full year's worth of Honda inventory last spring, which he still is sitting on.
- Sources most frequently named BRP Inc.'s (DOO) [Can-Am](#) as Polaris' closest competitor.

## Silo Summaries

### 1) Polaris Dealers

These six sources said Polaris is not threatened by Japanese ORV manufacturers, mainly because they lack innovation. Polaris dominates share, particularly in the growing market of side-by-sides, which outsell all other ATVs by 5:1 for five sources. One said BRP's Can-Am is Polaris' closest competitor. All six sources expect Polaris' Slingshot to be a huge success. Some sources said deposits and preorders already outnumber the Slingshot units expected in their first shipments.

### 2) Multi-brand Dealers

Nine of 10 sources said Polaris will continue to dominate the market and that Japanese manufacturers lack innovation; the remaining source said Honda will usurp Polaris' lead. Growth expectations for 2015 sales are positive overall. Eight of 10 sources reported continuing growth in the side-by-side market; the remaining two sources said other ATVs are outpacing side-by-sides in sales. Two sources have little to no 2014 inventory. Five sources who commented have high expectations or already sold-out orders for the Slingshot. Two sources reported being unhappy with Polaris' quality. One source said Honda pressured him into buying a year's worth of its inventory last spring, which he still is sitting on.

### 3) Industry Specialists

All six sources said Polaris holds the most market share and will continue to do so. Japanese manufacturers are not a threat because they lack innovation. One source said Polaris has had issues with quality, but another said the company has rectified those issues. The side-by-side market is growing more quickly than the overall ATV market. Three sources who commented on the Slingshot expect it to create a lot of buzz and to be successful.

	PII Still to Dominate Side-By-Side	Threat from Japanese Brands	Expectations for PII's Slingshot
<b>Polaris Dealers</b>	↑	↓	↑
<b>Multi-brand Dealers</b>	→	↓	↑
<b>Industry Specialists</b>	↑	↓	↑

## Background

In its most recent quarter, Polaris reported strong earnings and [raised](#) its guidance for the rest of 2014. [Net income increased 21%](#) from the previous year to \$96.9 million. North American sales improved, increasing by 15% year to year. Polaris expects full-year sales growth of 16% to 18%. The company realized market share gain in its side-by-side line and increased its motorcycle revenues by 107%. Polaris' off-road vehicle (ORV) growth outpaced the overall ORV market growth by 5%.

A [former Polaris manager](#) claimed the company's performance was due to its willingness to take product chances where its competitors will not. It has designed its utility terrain vehicle (ORV) line to be sportier and more powerful, luring away some [diehard Honda fans](#). Such fans believe Honda could build a better machine than Polaris but its ORVs are ugly and lack of power and sportiness. Polaris continues to add products, including two vehicles to its [GEM electric car line](#), two new [RZR](#)s and [Rangers](#), four Sportsman ATVs, and the [Victory Magnum](#) and [Indian Roadmaster](#) motorcycles. In late October it will release its Slingshot, an unconventional three-wheel motorcycle. Several reviewers claim the Slingshot is [very fun to drive](#) and offers great value for its price (\$19,999–\$23,999).

Polaris also has heavily invested in its Sportsman ACE, but many ORV customers lack enthusiasm for the vehicle. A potential [customer recently sat on an ACE](#) and shared his negative thoughts with a dealership salesman who admitted, "They can't get anyone to buy it" because the engine is underpowered and "feels like an ATV with a cab on it." Other complaints about Polaris center on its products overheating, [starting on fire](#), and having wheel bearing issues even on newer models with fewer than 1,000 miles.

Many Polaris owners would [purchase an ORV from Honda](#) if it ever came close to matching Polaris' performance and design. Some Polaris owners have considered Yamaha Motor Co. Ltd.'s (TYO:7272) new 2015 [Viking model](#) because of its [solid build and suitable design](#).

Blueshift Research's [May 15 report](#) focused on ORVs in the agriculture industry and found Polaris ORVs were well positioned to grow in 2014. Polaris trailed [Deere & Co.](#) (DE) in terms of popularity among farmers but remained at the top of the ORV market because of its wide product assortment and superior marketing. More customers were purchasing larger, side-by-sides, placing Polaris' Ranger and RZR in the sweet spot for growth. These product lines also were gaining momentum among new demographics, including women, seniors and families. Polaris' single-passenger Sportsman ACE posted sluggish initial sales as most customers preferred ORVs with more power. Sources said Japanese ORV manufacturers lacked innovation but that these companies—particularly Honda—still enjoyed a loyal following.

## Current Research

In this next study, Blueshift Research assessed whether Polaris could continue its market share dominance in the side-by-side market and if Japanese manufacturers would become a threat to Polaris. We employed our pattern mining approach to establish four independent silos, comprising 22 primary sources (including 11 repeat sources) and four relevant secondary sources focused on Polaris' release of its Slingshot, its first manufacturing plant outside of the United States, the rise of interest in trikes, and ATV and side-by-side sales in Australia:

- 1) Polaris dealers (6)
- 2) Multi-brand dealers (10)
- 3) Industry specialists (6)
- 4) Secondary sources (4)

## Next Steps

Blueshift Research will monitor Polaris' ability to meet the high demand anticipated for the Slingshot. We also will focus on a few sources' concerns about Polaris' vehicle quality. Finally, we will watch for the release of any new Japanese models and their ability to take share from Polaris.

## Silos

### 1) Polaris Dealers

These six sources said Polaris is not threatened by Japanese ORV manufacturers, mainly because they lack innovation. Polaris dominates share, particularly in the growing market of side-by-sides, which outsell all other ATVs by 5:1 for five sources. One said BRP's Can-Am is Polaris' closest competitor. All six sources expect Polaris' Slingshot to be a huge success. Some sources said deposits and preorders already outnumber the Slingshot units expected in their first shipments.

#### KEY SILO FINDINGS

##### Market Share

- All 6 sources said Polaris dominates market share.
- 1 said Can-Am is Polaris' closest competitor.

##### Japanese Manufacturers

- These 6 sources said Japanese manufacturers are not a threat to Polaris.
- 1 said Japanese are two to three years behind Polaris in innovation.
- Another also discussed the lack of innovation from Japanese manufacturers.

##### ATV vs. Side-by-Side Market

- Polaris dominates the growing side-by-side market.
- 5 sources said side-by-sides outsell all other ATVs by as much as 5:1.
- 1 said other ATVs outsell side-by-sides.

##### Expectations and Developments

- All 6 expect Slingshot to be hugely popular. Some have more preorders than expected stock.

### 1. Chuck Golinvaux, owner of [Hymark Motorsports](#), which sells Polaris products Colorado

Polaris is taking the ORV market by storm, while Japanese manufacturers are “sleepy” and basically content with their share. Honda and Yamaha have plenty of inventory in their warehouses, unlike Polaris, which often cannot make vehicles fast enough. Polaris has experienced some mild competition from [Arctic Cat Inc.](#) (ACAT) and Can-Am, but remains the giant in the room. It especially dominates the side-by-side space and is in tune with what consumers want. It also provides incentives when needed to clear inventory. The Sportsman ACE 570 and Slingshot vehicles should be winners for Polaris.

#### Market Share

- “Nobody has been able to take away market share from Polaris in the side-by-side segment. Arctic Cat is poised to put in a dent, and Arctic Cat will see growth in their side-by-sides. But the only question is will it create a larger market or will they take some share from Polaris?”
- “There has not been much of a change in consumer and dealer mindset toward Polaris. The image of Polaris in the industry is one that is very, very aggressively going after attaining additional market share in all of their segments, and is willing to do almost anything to get that. Polaris is making the product that the consumer wants to buy, and when needed Polaris incentivizes to stimulate their market in the segments in which they want to compete. That has been ongoing for the past six years.”
- “Just the fact that Polaris products are there, people will buy them. Polaris will not easily give up that market share in the side-by-side space. Their goal is to continue to increase their market share. Polaris is really committed to it.”
- “Polaris listens to its dealers more than do the Japanese manufacturers. ... Having been on both sides of the fence, I clearly believe the corporate culture at Polaris is more youthful and is more in tune with what the market

**Polaris listens to its dealers more than do the Japanese manufacturers. ... Having been on both sides of the fence, I clearly believe the corporate culture at Polaris is more youthful and is more in tune with what the market needs.**

*Owner, Polaris Dealership  
Colorado*

needs.”

- “The Japanese will come out to compete eventually, but in the immediate future the only one that could possibly really challenge Polaris is Arctic Cat.”
- “Within the ATV and side-by-side segments, things started to turn around in 2008. Japanese manufacturers pulled in the reins; Polaris forged ahead. They are seeing the fruits of that labor now.”
- “Can-Am is being more innovative. They are one of the more aggressive manufacturers, but you see more of that on the side-by-side segment. Arctic Cat’s market share is so small, it gets easy to overlook them. But they are a manufacturer that seems to have finally recognized the importance of the side-by-side segment that Polaris owns, and they will go pretty aggressively after that.”

## Japanese Manufacturers

- “Have you ever heard the term ‘bold, new graphics’? It is what manufacturers use when they have nothing to talk about. If you go to a Yamaha or Honda or [Kawasaki \[Heavy Industries Ltd./TYO:7012\]](#) annual dealer meeting, they have bold, new graphics. It is more of the same from them in this segment. Their ATVs [are] the same old, same old.”
- “Supply is not the issue. Both Honda and Yamaha have inventory in their warehouses. ... It is different with Polaris; we do not have all of the units to fill the pipeline.”
- “I believe the Japanese manufacturers are content with their market share and that they believe their product line is sufficient to compete with what is out there. They do not have a lot of investment in research and development for new products on the ATV side.”
- “Honda’s primary customer is the farm and ranch customer, so innovation is not necessary there. Yamaha does more of the recreational, so innovation would be more important to Yamaha. But we are not seeing it.”
- “When I was with Honda, I would look at envy at the Polaris dealers and say, ‘Why don’t you do things like what Polaris is doing?’ Now I am on the other side. I am no longer a have-not.”
- “I cannot think of a Honda or Yamaha product right now on the ORV lineup that would have anything to do at all with what Polaris is producing. Polaris is the industry leader on innovation. Honda came out with their [Pioneer 500](#); it is a little bit of a widened form of an ATV, or a really, really miniature side-by-side. I thought maybe we would see something similar from Polaris. But what Polaris did instead was come out with the [Ranger ETX](#)—a bigger platform with a smaller engine that performs—and they will do everything that the Honda does and more.”
- “Yamaha and Honda have not hurt Polaris’ sales. I have friends who are Honda and Yamaha dealers, but they are in an envious position right now. Polaris is on top of the world in our industry. They are doing a fantastic job, and there is nothing that Honda or Yamaha has that can threaten them.”
- “The one thing that Honda has is their quality/reputation, and I think Polaris in the backroom knows it.”
- “There have been a couple incidences of deals that we have lost to Honda. One was because of price and the other was quality.”
- “I cannot think of anything that [Suzuki \[Motor Corp./TYO:7269\]](#) and Kawasaki are doing. I cannot think of anything that the Japanese manufacturers are doing.”

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## ATVs vs. Side-by-Sides

- “We have seen an erosion of the ATV share relative to side-by-sides. There has been cannibalization of the ATV buyer in the side-by-side market. A few years ago, it was a no-brainer; there were more ATVs sold than side-by-sides. It was not even close. That equation has changed and in a lot of markets around the country there are more side-by-sides sold than ATVs.”
- “I went back in history to track the progression of sales within those segments, and we have seen it: the erosion of the ATVs. This year we are on pace to match the store’s 2010 ATV sales while continually trying to increase exponentially in the side-by-side market.”
- “People were using a single-rider ATV with two people on it despite all the warnings. Now some of those people are going to two-rider touring models. There are still the farm and ranch guys or the recreational guys riding the ATVs, but now the two-up rider has so many more options.”

## Expectations and Developments

- “I am very excited about 2015. One of the things I put in my press release when I took over the store is that I believe Polaris has the corporate will and the resources to figuratively keep the pedal to the metal with regard to new

products and innovation. And that is a departure from the Japanese brands. The Japanese brands have been very sleepy and conservative, and they have lost market share as a result.”

- “I feel reinvigorated being a Polaris dealer as their ATV lineup is fresh and exciting.”
- “My experience with the ACE has not been as good as I had hoped. I liken the introduction of the ACE to when Yamaha and Honda brought up power steering to ATVs. It created a new segment within the segment. People did not realize they wanted that. Now there are many who will not buy a big boy without it. Back in 2008, Honda offered incentives to get customers to try ATVs with power steering. ACE is very much that way; it has not quite taken off like we expected. Is it an ATV? Is it a side-by-side? Polaris insists that it is an ATV, but we tend to see it as a single-rider UTV, an ATV you sit on top of it like a horse. A UTV you sit in it like a dune buggy. The ACE is a hybrid. Over time I think it will become a very integral part of the overall product mix for Polaris, but it has not quite caught on yet.”
- “We are not a Slingshot dealer. Polaris did not reveal that strategy until this summer that not every dealer was going to get a Slingshot. Polaris wanted to go to the bigger metro markets first, but there are some exceptions to that. We will see it in more select markets. I really believe that Slingshot is a winner. I think it will be immensely popular. This is really the first, true mass-production hybrid vehicle—a cross between a motorcycle and a convertible. It has a steering wheel and shifts like a car, but it is open-air like a motorcycle. I think it will create another segment, very much like RZR did in 2008.”
- “It depends on the model regarding whether consumers want a 2015 or a 2014 vehicle. The rebate/incentive on the 2014 model is \$400, for the 570 Sportsman ATV. The incentive on a 2015 is \$300, and the list price did not go up a dime. For \$100 more don’t you want a 2015 model? On that segment people will just as easily go to a 2015.”
- “With the Sportsman 570, there is really not enough innovation in new models, but the price differential makes it a nonissue. On the RZR 800 or RZR Trail models, there is enough excitement and innovation to make people go to the 2015 model. And I can predict pretty accurately that as soon as the 2014s are gone, we will see some incentivizing on the 2015 models.”
- “On the RZR, the volume model is the Trail model, a 50-inch side-by-side. There is a significant difference in the old model 800, which has had six or seven model years, and the 2015 model. It is a game changer. I got to ride them. The difference between the 2015 and the 2014 model is astounding. People will pay the extra money on the new model.”
- “In the RZR lineup, the segment is so hot that there is very little 2014 inventory. There will still be customers who want to go after the deal. And Polaris, where they see inventory issues, will assign incentives to help clean up that inventory. Polaris is very responsive to that.”

## 2. Owner of a Midwest Polaris dealership and an officer of a state ATV association; repeat source

Polaris “is on the gas” while most Japanese manufacturers “are playing catch-up.” Polaris’ nearest threat comes from BRP, maker of Can-Am and [Ski-Doo](#). In the source’s area, kids’ ATVs are hot while adults prefer side-by-sides. He expects the Slingshot to be popular.

### Market Share

- “All of Polaris’ competitors are making improvements. It just depends on what people are after. There are a few people who are strictly after that price. Polaris still makes a price-point machine, and Polaris’ price-point machine is more horsepower, more speed than Honda’s fanciest side-by-side.”
- “Polaris will maintain its stranglehold on the side-by-side space. The only one that could take some share is BRP/Can-Am, just a little bit.”
- “Consumers are spending money. Polaris is on the gas and is not behind anyone else.”

### Japanese Manufacturers

- “Most of the Japanese manufacturers are playing catch-up. They are so far behind I am not even sure it is even worth their time trying to catch up with the four main players in this space: Polaris, [BRP’s] Ski-Doo/Can-Am, Arctic Cat and Yamaha. The two strongest companies are Polaris and BRP. Other Japanese companies are far behind.”
- “Japanese manufacturers could maybe try to ramp up production, but they could just pound sand and not waste a lot of time. They will keep on going with what they got.”
- “Are people buying Japanese off-road vehicles? Not really. They can discount them and do whatever they want, but if you want the best stuff—the best resale value, best resale—honestly, you have to stay within that top four and really should stay with the top two.”

- “Competition from Honda and Yamaha has not altered the sales landscape for Polaris. If anything Bombardier [BRP]/Ski-Doo/Can-Am—that is the next tier to stick with.”
- “If any customers do switch from Polaris to a Japanese manufacturer, it is because a Japanese vehicle would be cheaper. But I do not usually see this. They usually come groveling back for Polaris.”

#### ATVs vs. Side-by-Sides

- “In our area, ATVs are down. Kids’ ATVs are very good though. We are getting more sales for the youth machines, which are getting kids started on these machines. For adults, side-by-sides have been popular since 2010.”

#### Expectations and Developments

- “When Polaris came out with ACE, that was their big deal. It is a single-seated machine that you straddle. Older people can get on them much easier. They now make it in a 570, which is a fun, little machine.”
- “Sales are going to be down a little in 2015 due to the grain markets, but in our area it is still OK. We will still have decent sales. We sell a lot to farmers.”
- “The Slingshot is an on-road machine. I am expecting it to be popular.”
- “Half the people have the money to spend on new stuff, and half say, ‘I am not going to spend the money, so let’s just get used equipment.’”

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*Owner, Midwest Polaris Dealership & Officer of a State ATV Association*

### 3. Polaris dealership sales manager on the West Coast; repeat source

Polaris has moved from the bottom to the top of the game during the last eight years. All manufacturers offer comparable quality in ATVs. However, Polaris and Can-Am are the only real competitors for the performance, sport side-by-side, which is the industry’s fastest growing segment. Polaris’ RZR is easily the top seller. Can-Am introduced a turbo [Maverick](#) for 2015, but response so far is lackluster. The Polaris Slingshot will be this year’s game changer; this dealer has presold seven units already. The Slingshot will appeal to a performance car buyer and broaden the market appeal to a more general driving audience.

#### Market Share

- “The move to Polaris is gaining traction. Owners of Japanese-made products are replacing them with Polaris now that people view Polaris as the main player. But it used to be Polaris at the bottom, with all the Japanese players before them. It has taken eight years for them to make the move all the way to the top.”
- “Can-Am is the only other player that is even pushing Polaris. It is the only manufacturer making anything that competes with Polaris. All the ATVs are pretty comparable in quality, but only Can-Am and Polaris are real players in the side-by-side, performance sport vehicles. And that is the fastest growing segment of the market.”
- “Polaris RZR is easily our top-selling model, but Can-Am’s new turbo [Maverick] could begin to pressure that market eventually. So far response to the turbo is slow.”

Only Can-Am and Polaris are real players in the side-by-side, performance sport vehicles. And that is the fastest growing segment of the market.

*Sales Manager, Polaris Dealership West Coast*

#### Japanese Manufacturers

- “We have not seen Honda or Yamaha have any impact on Polaris in the last eight years.”
- “I would have guessed the Japanese manufacturers would be trying harder, already playing in the performance arena, but they are sticking with utility vehicles and just producing more of the same.”
- “I am not aware the Japanese have any plans to do anything new in 2015.”
- “We do not have any shortage of Japanese-made units, so it is not a production issue. It is a marketing or strategy issue. They are crazy not to get into performance sport vehicles, but I do not see anything yet.”

The Slingshot is the game changer. It will be coming out in October, and the early response is off the charts.

*Sales Manager, Polaris Dealership West Coast*

#### ATV vs. Side-by-Side Market

- “We sell five or six times more side-by-sides than we do ATVs.”

## Expectations and Developments

- “Thirteen new Polaris products just came out, and some new models. There is some excitement but no game changers really.”
- “The ACE is a good unit and had a good early response, but it is definitely a new market, a new niche.”
- “The Slingshot is the game changer. It will be coming out in October, and the early response is off the charts. I have seven units already presold, and that is a better lead response than anything ever, even the first RZR. It will broaden the appeal to include a more general audience of sports car drivers.”
- “People like the new innovation on the 2015 models. And since they are not much more expensive, they are selling well. We only have a few 2014 models left anyway.”

## 4. Polaris dealership sales manager in the Southwest

The RZR introduction in 2008 turned Polaris into an accepted brand name. Since then, the company’s popularity has grown into industry dominance. Can-Am and Arctic Cat are the only competitors to Polaris, while Honda is making some moves to compete with Polaris’ Ranger. Side-by-sides sell 40:1 compared with other ATVs. Polaris’ new Slingshot is huge. Twenty buyers are on the waiting list for a Slingshot.

### Market Share

- “Everyone wants Polaris, not the Japanese models. Polaris started the side-by-side market, and they own it.”
- “Competitors are improving, but they are all behind and chasing Polaris.”
- “Polaris owns the side-by-side market, and no one competes really. We may begin to see more Can-Am sport or Arctic Cat sport. Honda is making advances on the utility side.”
- “Polaris’ innovation on RZR back in 2008 turned the attitude of the consumer and the dealers. After that it was all about marketing.”

### Japanese Manufacturers

- “Honda [is] not concerned about the American ATV market as much as we would like to think.”
- “Polaris is the only manufacturer who is putting all the profits back into innovation, and no one is keeping pace. All the Japanese manufacturers are already behind Polaris’ innovation, at least two or three years.”
- “Honda has a new 50-inch-wide Pioneer. It shows the Japanese are making an effort in the side-by-side market, and it will sell.”

### ATV vs. Side-by-Side Market

- “We only sell about one ATV to 40 side-by-side units.”

### Expectations and Developments

- “We get new models every year. Polaris has dropped their 800cc series this year and moved everything up to the 900cc models.”
- “The ACE did not do as good as we had hoped it would. But the 2015 model is offering a bigger motor and it may do better.”
- “The Slingshot is very exciting. Everyone wants it already. We have 20 buyers on a waiting list, and no one has even seen it yet. When the machines hit the streets, the reception will be phenomenal. It should be here in October.”
- “Half our buyers want the latest, greatest thing, and the other half are more interested in getting the best deal.”

**The Slingshot is very exciting. Everyone wants it already. We have 20 buyers on a waiting list, and no one has even seen it yet.**

*Sales Manager, Polaris Dealership Southwest*

## 5. Polaris dealership sales manager in the North Central Plains; repeat source

Polaris has always been more popular in the source’s region because it is U.S.-made. Yamaha may be able to make some gains by offering comparable quality at a better price, such as its Viking. The dealership has gone from selling 75% ATVs to about 50%, with more sales going to side-by-sides.

### Market Share

- “Polaris is American-made, and that matters to my buyers. Polaris has been dominant here for five years. Polaris takes the lead in innovation and technology too.”
- “It has always been Polaris around here. We are all about off-road, ATVs and side-by-sides, and we sell a lot of Polaris.”

#### Japanese Manufacturers

- “The Japanese manufacturers are offering some new models and options, but no one even comes close in side-by-sides.”
- “Honda’s new 50-inch Pioneer will have some market appeal on the utility side, but my customers will still prefer Polaris RZR sport.”
- “Yamaha Viking is competitive with Polaris Ranger, but still people around here will prefer Polaris.”
- “Yamaha has some grip in the ATV market at a little lower price, but Polaris quality is comparable and the name is bigger.”
- “I am not expecting to see the Japanese regain market share any time soon.”

#### ATV vs. Side-by-Side Market

- “ATVs are big in our region, and it has been a slower conversion here. The side-by-side segment has grown fast, but here it is sporadic. The last few months have averaged about 50/50, but it varies here.”
- “Two years ago we were selling 75% ATVs vs. 25% side-by-sides.”

#### Expectations and Developments

- “Polaris just introduced 19 new models. They have their foot on the gas in innovation. No one is moving forward at the same speed.”
- “The 2015 models moved away from their midrange 800s and focused on their bigger, more powerful units. They also offer some really popular options and all new colors.”
- “When the ACE first came out, it only had about 32 HP, and it just was not powerful enough. They just introduced a 45 HP this year. We just got in our first more powerful unit, and it has not sold yet.”
- “The 2015 models are really popular and not much more expensive than the 2014s. I expect most customers will want the new innovation of the 2015s.”

## 6. Polaris dealership finance officer in Florida

When buyers are encouraged to test-drive first a Japanese unit and then a Polaris, they always buy the latter on performance, quality and ride. This location sells three times more side-by-sides than other ATVs. The big excitement is all about the Slingshot coming out in October. Slingshot deposits already outpace the units expected to be delivered in the first shipment, and this dealer is hopeful Polaris will be able to meet demand and fill orders quickly.

#### Market Share

- “We really only sell Polaris here, but our customers prefer Polaris after they have considered the competition.”
- “No other manufacturer is capable of catching up to Polaris’ innovation now.”
- “Polaris has built their own reputation, and consumers and dealers have been open to it. Polaris leads the industry in technology. They developed the side-by-side segment first. Now everyone just follows Polaris.”

#### Japanese Manufacturers

- “If we have a customer who is considering purchasing a Honda or another Japanese competitor, we invite them to go test-drive it, then come test-drive ours. We do not sell any Japanese units here, only Polaris. And they come back and buy here almost every time. We sold one that way just this morning.”
- “I do not see the Japanese doing anything to be more competitive.”

#### ATV vs. Side-by-Side Market

- “Three years ago we were selling more ATVs than anything else. Now we sell side-by-sides three times more than anything else.”

#### Expectations and Developments

- “Polaris listens and is responsive to the consumer. They have beefed up their power offerings, and added popular new options and colors.”

**Polaris leads the industry in technology. They developed the side-by-side segment first. Now everyone just follows Polaris.**

*Finance Officer, Polaris Dealership  
Florida*



- “The ACE was not powerful enough. The customer asked for more power, and Polaris did it. We have not gotten our more powerful model yet, but it is coming.”
- “The Slingshot is the ultimate! We are very excited about it and are currently building a new showroom for it. It is in a class by itself, and there is already a lot of buzz about it. We have more deposits than we can fill on the initial delivery. We are hoping, but we do not know how fast they will be able to fill orders.”
- “The 2015 models are exciting, and people love the options. I think most will go with the newer models.”

## 2) Multi-brand Dealers

Nine of 10 sources said Polaris will continue to dominate the market and that Japanese manufacturers lack innovation; the remaining source said Honda will usurp Polaris’ lead. Growth expectations for 2015 sales are positive overall. Eight of 10 sources reported continuing growth in the side-by-side market; the remaining two sources said other ATVs are outpacing side-by-sides in sales. Two sources have little to no 2014 inventory. Five sources who commented have high expectations or already sold-out orders for the Slingshot. Two sources reported being unhappy with Polaris’ quality. One source said Honda pressured him into buying a year’s worth of its inventory last spring, which he still is sitting on.

### KEY SILO FINDINGS

#### Market Share

- All 10 said Polaris currently controls market share.
- 9 expect Polaris to continue to control market share; 1 believes Honda will take over the lead.
- 1 said Yamaha is trying to be more competitive but Polaris is counteracting with rebates.
- 2 are unsatisfied with the quality of Polaris’ vehicles.

#### Japanese Manufacturers

- 9 of 10 said Japanese manufacturers are not a significant threat to Polaris because they lack innovation.
- 1 said Honda is a threat to Polaris.
- Bright spots are the Kawasaki [Mule](#) and a few side-by-sides being released by Yamaha in 2015.
- 1 said Honda pressured the dealership to order a full year’s worth of Honda ATVs last spring; the source is still sitting on the inventory.

#### ATV vs. Side-by-Side Market

- 8 of 10 sources see growth in the side-by-side market continuing to outpace that of the overall ATV market.
- 2 said sales of other ATVs outpaced side-by-sides.
- 1 said side-by-sides dominate but that other ATVs have gained traction over the past year.

#### Expectations and Developments

- 2 reported having little to no 2014 Polaris inventory left.
- 5 reported high expectations and/or significant preorders for the Slingshot.
- 2015 growth expectations are positive.

## 1. Owner, president and sales manager of a Polaris and Honda dealership in Texas

Polaris is conquering the competition while Honda is dozing. Japanese manufacturers do not appear to be trying to gain share in the ORV market. Can-Am and John Deere are wanting to improve, but their sales numbers are low compared with Polaris’. Thus, Polaris will maintain its top spot, largely because of its CEO, [Scott Wine](#). The source expects 2015 sales to be flat for ATVs overall and up 8% for side-by-sides year to year. Although an intriguing vehicle, the ACE is not selling.

#### Market Share

- “In the side-by-side market, customers are going Polaris big time. Honda is too limited with two basic models, and they are limited as to how many you can get. And it is killing them.”
- “Can-Am is working at improving. John Deere is working at it, but they are low numbers.”

- “Nobody has anything comparable to Polaris. Honda doesn’t, and Yamaha only has a little bit. Suzuki and Kawasaki have very little of the side-by-side market. Polaris is killing everybody.”
- “Polaris will maintain its stranglehold on the side-by-side space. Scott Wine, the CEO of Polaris, came in and changed the whole thinking of the company, and they are knocking them dead. He is doing a great job.”

## Japanese Manufacturers

- “The Japanese manufacturers are not doing much. Honda is not doing much. They have not had a convention in about six years, and we never know what is coming out. You do not know what they are talking about until you get it. I do not like it at all. Honda has always been mum, but they used to announce everything at their convention.”
- “When the tsunami hit, the Japanese lost a bunch of their electric power. Even though some vehicles are made here, they still get a few components from Japan, and they just do not have them.”
- “I do not see that Japanese manufacturers are attempting to gain market share in the ATV/side-by-side market. Honda has gone to sleep. They are interested in selling Accords and Civics; they can make more money selling cars.”
- “Competition from Honda and Yamaha has not hurt Polaris’ sales. Polaris is killing Honda and killing everyone.”

## ATVs vs. Side-by-Sides

- “Our ATV sales are up a miniscule amount, but they are still going up. The side-by-sides are growing really well, 10% to 18% a year typically.”

## Expectations and Developments

- “ATVs will be pretty much flat for the 2015 models, while side-by-sides will see a modest increase, maybe 8%.”
- “I am not a Slingshot dealer.”
- “I am getting absolutely no floor traffic on the ACE though I think it is an intriguing vehicle. It just is not selling. ACE has more capability than a four-wheeler. It has a dump bed, roll cage, screen doors, a new steering wheel. I think it is safer. ... I just do not know why it is not selling.”
- “Innovation is enough to attract buyers of new vehicles, but some people still will buy last year’s models to save money.”

Polaris will maintain its stranglehold on the side-by-side space. Scott Wine, the CEO of Polaris, came in and changed the whole thinking of the company, and they are knocking them dead. He is doing a great job.

*Owner, President & Sales Manager  
Polaris & Honda Dealership, Texas*

Competition from Honda and Yamaha has not hurt Polaris’ sales. Polaris is killing Honda and killing everyone.

*Owner, President & Sales Manager  
Polaris & Honda Dealership, Texas*

## 2. Owner of a Polaris and Yamaha dealership in Illinois; repeat source

Roughly 80% of this dealership’s business is Polaris-driven. Yamaha so far cannot compete in the side-by-side space. Honda has had some success but not enough to knock Polaris off its pedestal. Today’s consumers want side-by-sides rather than other ATVs, and both new and used. The dealership sold 60 side-by-side machines for Polaris’ 2010 model year and 126 units for its 2014 model year. He does not expect much traction for the ACE.

### Market Share

- “The Japanese manufacturers are attempting to gain market share with new ATV and side-by-side products.”
- “The Honda Pioneer has had some success, more than the Viking from what I hear. Still, Polaris just dominates this thing, and new product just keeps coming. I do not think their market share will slide anytime soon.”
- “If customers switch from Polaris to a Japanese manufacturer, it is most likely due to quality, perhaps a bad experience in the past, or sheer brand loyalty. If anybody objectively evaluates these things by any measure, they will buy the Polaris.”
- “The offerings from Polaris’ competitors are improving, but they still are not hitting the mark.”
- “Side-by-side market share is hard to evaluate since it is not reported like ATVs and motorcycles. But independent sources have Polaris above 40%, and I believe that is accurate.”
- “Consider that second-place Kawasaki has 17%, and this is market

The offerings from Polaris’ competitors are improving, but they still are not hitting the mark.

*Owner, Polaris & Yamaha Dealership  
Illinois*

domination, much like Harley-Davidson on the street bike side.”

- “I expect Polaris to maintain their hold on the side-by-side ORV market.”

#### Japanese Manufacturers

- “Yamaha has been very complacent. Our showroom traffic is heavily Polaris-driven; about 80% to 85% come here to see a Polaris versus a Yamaha.”
- “The new [Yamaha] Viking side-by-side has not done well here versus the [Polaris] Ranger. Yamaha’s ATVs are competitive, but our business is mostly side-by-sides now. We actually sell more snowmobiles than traditional ATVs.”
- “I expect Yamaha to have some significant new side-by-side product, two major releases in the next 12 months.”

#### ATV vs. Side-by-Side Market

- “Since getting the Polaris franchise in 2009 [2010 model year product] our ratio of side-by-side to ATV has gone from 2:1 to more than 4:1.”
- “In the 2010 model year we sold about 60 new Polaris side-by-sides. In the 2014 model year we sold 126!”

#### Expectations and Developments

- “Our expectations for the 2015 models are very good. We expect the updated, midsize 570 Ranger as well as the new full-size 570 to do very well.”
- “We were not offered Slingshot. We are too rural and do not have a large enough showroom facility, according to Polaris.”
- “ACE has been a moderate seller, and I do not expect much growth in it.”
- “Innovation will attract 50% of buyers, and the other 50% will buy last year’s models to save money.”

### 3. General manager of a Polaris and Kawasaki dealership in Texas; repeat source

Kawasaki and Polaris are going wheel-to-wheel with their competing side-by-sides. Honda and Yamaha, though, have not made much of a dent in Polaris’ side-by-side business. Customers like Kawasaki for its three-year factory warranty, which the source compared against Polaris’ six-month warranty. Still, he predicts Polaris will maintain its top spot in the side-by-side market for a few more years. Customers prefer side-by-side vehicles, and the 2015 models are better and more powerful. They also are more enthused about Polaris based on the better economy and the company’s new products.

#### Market Share

- “Of course competition is hampering sales for Polaris. They are all good products. But Honda and Yamaha are definitely not the top competitors in the side-by-side markets. Kawasaki and Polaris are the top two, and Polaris right now is leading in market share.”
- “If customers switch from Polaris to Japanese manufacturers, it is probably because of reliability. Kawasaki, for instance, has a three-year factory warranty; Polaris has a six-month factory warranty, and that alone says a lot. That is a huge selling point for with Kawasakis.”
- “All the products are good. But when you compare Polaris and Kawasaki, Kawasaki is more durable and takes more of a beating than some of the Polaris machines.”
- “In terms of pricing, they are all roughly the same when you compare apples to apples. Kawasaki is a bit cheaper.”
- “Polaris just had a large bunch of new products. Kawasaki only released the Mule, which is game changer, but Kawasaki has not made a huge leap in two years. They have come out with stuff here and there.”
- “Polaris will maintain its stranglehold on the side-by-side for the next couple of years for sure, if not longer. They will be on the top for a couple years to come.”
- “Consumers and dealers are more enthused now about Polaris because of the products that are coming out. They are getting better and better, and there is a little more excitement. The economy is continuing to get better. Every year we are seeing a small increase in sales.”

#### Japanese Manufacturers

- “I have not heard a whole lot about plans by the Japanese manufacturers. There are rumors of something coming out. Kawasaki probably very soon will come out with something; they will have to. They have not changed a

If customers switch from Polaris to Japanese manufacturers, it is probably because of reliability. Kawasaki, for instance, has a three-year factory warranty; Polaris has a six-month factory warranty, and that alone says a lot.

General Manager  
Polaris & Kawasaki Dealership, Texas

whole lot in the last year or two. We sell tons of Kawasaki vehicles. They have great products. We had their new Mule, their side-by-side. It was a homerun for Kawasaki and was more powerful.”

- “The Japanese manufacturers always want more market share. As far as the Kawasaki share, it is one of the top Japanese manufacturers.”
- “The Kawasaki Mule is definitely going to help out the company. Kawasaki’s Mule has a big competitor out there, and it happens to be a Polaris. The [Ranger Crew](#) and the Kawasaki Mule are going to be side-by-side competitors.”
- “Kawasaki’s ATV line is small; there are only a couple to choose from.”

#### ATVs vs. Side-by-Sides

- “A whole lot more people are buying the side-by-sides than they were a couple years ago. You can work with them a whole lot more and carry two, four or six people. Yes, they are pricier.”
- “There will always be four-wheelers and ATVs, but if most people had their choice, they would choose a side-by-side.”

#### Expectations and Developments

- “The 2015 models are getting more improvements. They are getting better and better and bigger and bigger every year, so the price is going up a little on them. But there is a whole lot more to them than there was a few years ago.”
- “I am not a Slingshot dealer, but the Slingshot is awesome. I think it will be a big deal. A lot are already presold and are getting tons of attention.”
- “The ACE is definitely good. We sold a few of them this year. Polaris put a bigger motor in the 2015 models, which will appeal to a whole lot more people. The newer one they have has more power.”
- “People will always want to save money. There are two different buyers out there. There are buyers who will want to get the newest models, and a few hundred or thousand dollars will not kill them. But if the model has not changed much and you can save \$500, a lot of people will buy last year’s model.”

#### 4. Owner of a Yamaha and Polaris dealership in Ohio; repeat source

Polaris will maintain its hold on the side-by-side space for at least three years. This dealership has been pleased with Polaris’ sales results despite a tough economy. Still, Polaris needs to do some fine-tuning and ramp up quality control. ATVs have gained in popularity during the past year. He expects the ACE to be hot again this year. Consumers still look at price over all else, and Polaris is offering some rebates. Polaris has little 2014 inventory left. Yamaha has enhanced its Viking vehicle, but is slow on the draw. Neither Yamaha or Honda has changed Polaris’ sales landscape.

#### Market Share

- “All of the dealers have to be pretty happy with the Polaris sales results; I know we are. Right now the economy is what is hurting us, not the brand. Most dealers are satisfied with Polaris.”
- “Polaris will maintain its stranglehold on the side-by-side space for a while, at least for the next three years. They have enough advancement that it will be hard for the other guys, who are pretty far in the hole to catch up. But they will eventually. Yamaha and Honda have the ability; they are trying to get there.”
- “Small, little things frustrate customers, nothing major. But just little things that add up, such as bearings or bushings. If Polaris would just upgrade a few things to eliminate these small issues, this would help it immensely. Overall it is a great product.”
- “Yamaha is not content with its market share. The company is ramping up. Polaris realizes it too because it has enhanced the rebates and enhanced the new models, and is doing a good job with that.”
- “Very few customers have switched from Polaris to Yamaha. Yamaha has nothing right now to fit the criteria that Polaris is offering. We have been telling Polaris that their innovation is great, but they need to slow down and get better fit and finish and quality control.”
- “This industry’s competitors offer too many product choices. It is hard for us to stock every color, every size, every model in our facility, and we warehouse everything. It is strenuous to stock 56 different models, just in a side-by-side. This is not counting the ATVs.”

#### Japanese Manufacturers

- “The Japanese manufacturers are living on their laurels right now. We are not seeing anything huge and are not seeing any big rebates. They are

**Polaris has a vision. Right now they are on the gas, on the throttle, and all of the other manufactures are on the brakes. This past year has not changed this.**

*Owner, Yamaha & Polaris Dealership  
Ohio*

- coming out with some new models. Yamaha has enhanced the Viking. But they are a little slow on the draw.”
- “Yamaha had the [Rhino lawsuits](#) and that takes money to defend, so they had to spend money to retain their reputation. That took a big dent out of manufacturing research and development. They are changing up their manufacturing plant. The lawsuit drained the funds.”
- “Competition from Honda and Yamaha has not changed the Polaris sales landscape. Polaris has a vision. Right now they are on the gas, on the throttle, and all of the other manufactures are on the brakes. This past year has not changed this.”

#### **ATV vs. Side-by-Sides**

- “The ATV market has gotten a little stronger over the side-by-side market this year. The side-by-side is still by far our strongest market, but the ATVs have stepped up over the last year.”

#### **Expectations and Developments**

- “Polaris has a lot of new models. They went in the right direction and made some good changes, and they added a few to fit the current market. Polaris has done a good job with the RZR. Overall Polaris has done quite well.”
- “Yamaha is stepping up. They have lagged for the past three years. They have a new model, the Viking, and that changed the market a little bit. Yamaha is still not as strong as Polaris is right now, but we are seeing a lot more coming with Yamaha.”
- “There is a new Yamaha side-by-side coming out the first of the year in the utility style, and a sport model coming out next June. Yamaha knows they are missing the market on that.”
- “The ACE will really take off. We sold three or four last year when they first came out. The new 570 will enhance the machine, if we can ever get the product.”
- “Unfortunately, we didn’t get invited to the Slingshot party.”
- “Today’s society looks at the bottom line. ... At least in our market they look at price. Polaris does not have a lot of 2014 models left, but they are offering some rebates on the 2015s to offset that.”

## **5. Operations manager of a multi-brand dealership in the South; repeat source**

The trend toward Polaris continues to grow at an accelerated pace. Polaris has the hottest, new products, and its RZR is the top selling side-by-side. The Slingshot is expected to be a huge success. Can-Am brought out a turbo-charged Maverick. Yamaha introduced its new Viking side-by-side, but it was a year too late. Meanwhile, Kawasaki released its new [Teryx](#), but it has not gotten much attention. Japanese manufacturers are very conservative, are slow to introduce anything new and are not responsive to the U.S. consumer.

#### **Market Share**

- “Polaris has just brought out their 2015 models with new innovation again. They have their foot on the gas when it comes to new technology, and they are definitely the leader of the pack. Ranger and RZR are huge and definitely the top sellers in the marketplace right now.”
- “Kawasaki has their new Teryx, and it is a good unit; it just has not caught on yet. Honda has not done anything new in probably four years. Yamaha has the Viking and Rhino, which are good utility side-by-sides, but they have nothing in the sport category. Kawasaki has their Mule that has some good name recognition and now the Teryx, but nothing even comes close to RZR.”
- “Polaris just brought out 26 new models for 2015. They eliminated a few too, so that looks like too many. But they are listening and responding to the consumer. They know what people want, and that is what they are building.”

#### **Japanese Manufacturers**

- “The Japanese manufacturers have the same product lines they have had for years with very minimal change, and Polaris has new and innovative products that have just taken off.”
- “The Japanese are incredibly conservative. They have not been responsive to buyers or to the American market at all. They are way behind the curve, always.”

**Polaris just brought out 26 new models for 2015... They are listening and responding to the consumer. They know what people want, and that is what they are building.**

*Operations Manager  
Multi-brand Dealership, South*

- “Yamaha brought out their new side-by-side Viking this year, but they are a year late. We have a Suzuki meeting next week, so no news about what they are planning for 2015 yet. ... Meantime, we already have the new 2015 Polaris models on our sales floor.”
- “I hope the Japanese are not happy with their market share, because it continues to shrink. But they need to work on innovation, technology and marketing before they ramp production. Production is not the issue; we do not have an inventory shortage. Demand, or lack of it, is their biggest issue.”

## ATV vs. Side-by-Side Market

- “The ATV market has been declining slowing in favor of the bigger side-by-sides. It has been a continuing trend over the past couple of years.”
- “Units keep getting bigger and faster, and unfortunately for dealers, the margins keep getting tighter.”

## Expectations and Developments

- “We have two kinds of buyers here. Probably 65% want the latest greatest thing, and they are willing to pay extra to get it. Then we have 35% that just wants the best deal, and if that is last year’s model, that is ok. Really the price difference for the newer innovations this year is just not that much, so more people are willing to step up to get the newer model for very little more money.”
- “We have a few of the 2015 Polaris models on the floor. We also have the Yamaha Vikings, and the new Can-Am Turbo Maverick will be here any day now. Can-Am and Polaris always make a big splash when their new products come out.”
- “The new Polaris Rangers will have more grip with the 900cc, a better tow package, better accessories and are easily modifiable.”
- “The new ACE now has a bigger 570cc so it has more power, and that is what buyers wanted. We will see how it does. It is a safer ATV with a roll cage. It is fun to ride, but it is more of a niche market. It appeals to an older driver or a younger kid whose parents are concerned about safety.”
- “Slingshot is the thing to watch. It is a big three-wheeler with a car engine. It is unique, high-performance and very innovative. Nothing out there even comes close, and it starts below \$20,000.”
- “Can-Am has a new 120 HP turbo-charged Maverick, which is a sport side-by-side that competes with RZR. Can-Am also has their [Spyder](#), which is a three-wheeler, but it is more like a motorcycle than the Slingshot. It has a different appeal. It is also \$24,000, quite a bit more than the Slingshot starting price. Spyder brings in traffic, and there is nothing wrong with that.”

Polaris has just brought out their 2015 models with new innovation again. They have their foot on the gas when it comes to new technology, and they are definitely the leader of the pack.

*Operations Manager  
Multi-brand Dealership, South*

Slingshot is the thing to watch. It is a big three-wheeler with a car engine. It is unique, high-performance and very innovative. Nothing out there even comes close, and it starts below \$20,000.

*Operations Manager  
Multi-brand Dealership, South*

## 6. Owner of a multi-brand dealership in the Midwest; repeat source

The Japanese manufacturers are stagnant in innovation and sales. Polaris is expected to maintain its lead in the growing side-by-side market. Its RZR side-by-sides are this dealer’s top selling units. China’s [CFMoto](#) is the closest challenger in that it offers a better price but with mostly similar quality. It is growing faster than Polaris but is not expected really to be a threat for another five years.

### Market Share

- “Polaris is at the top already, and their RZR side-by-sides are our top selling units.”
- “Polaris is continuing to expand their market by bringing out the best new products, new models and colors, maybe even too many options for dealers to showcase well.”
- “CFMoto is small but may be growing a bit faster than Polaris. They offer ATVs, UTVs and side-by-sides, and they are a value proposition, similar quality and only a slightly less comfortable ride. They run about \$2,000 less on an ATV and \$3,000 to \$5,000 less on a side-by-side.”
- “CFMoto is ramping production to meet demand. I got five new 500cc ATV units from them last week and have already sold through four of them.”
- “They take a little share from Polaris every year, but it will still take five years for them to start really pushing Polaris.”

## Japanese Manufacturers

- “Polaris leaves the Japanese manufacturers in the dust. The Japanese have not made any significant changes in years.”
- “It does not seem like the Japanese are even trying. Their new innovation amounts to nothing new.”
- “The Japanese are just in a holding pattern, and sales are flat to last year. Honda has not even entered into the side-by-side space. Yamaha did introduce a new side-by-side sport Viking. Well, they call it a sport. I guess it is more sporty than their Rhino, but it is still more of a utility vehicle. It runs 23 MPH.”
- “Honda is just sitting, making no changes.”

## ATV vs. Side-by-Side Market

- “We used to sell more sport ATVs than anything else. But over the last couple of years that trend has shifted to the side-by-sides outselling the ATVs.”

## Expectations and Developments

- “Polaris dropped their midsize line of 800s in favor of more innovation on their 570s and 900s. They have a desert-model RZR and a high-lift RZR.”
- “Polaris came out with a more powerful ACE, but I have not sold any yet.”
- “The new Slingshot will be big. I expect they will sell as fast as Polaris can produce them for five years or so.”
- “Honda’s independent rear suspension is new this year.”
- “I do not have any 2014 Polaris or Hondas left. Honestly, if someone comes in and wants a deal, they will pick up the 2015 CFMoto and feel like they made a great deal.”

Polaris is continuing to expand their market by bringing out the best new products, new models and colors, maybe even too many options for dealers to showcase well.

*Owner, Multi-brand Dealership  
Midwest*

## 7. Sales manager at a multi-brand dealership in New Mexico; repeat source

Polaris RZR 4-seaters, around \$21,000 each, are experiencing the highest demand, but Can-Am’s 2015 turbo Maverick is what everyone is talking about. Can-Am is a little more expensive at \$24,000, but the fit and finish are a little better and the turbo offers better acceleration. Can-Am already is pushing Polaris for share in the overall ATV category, and the turbo Maverick will begin to pressure the company in the side-by-side space. The Polaris Slingshot is a whole new concept and is very exciting, and it will appeal to an entirely new audience. The Can-Am Spyder is also a three-wheeler but is a bit more expensive at \$31,000; it appeals to a motorcycle rider. Japanese manufacturers continue to improve their units, but they are not keeping up in terms of innovation.

## Market Share

- “Polaris is top, of course. Can-Am is chasing them. Japanese market share is pretty stable, but it certainly is not growing. We only sell Suzuki here.”
- “Polaris is leading with RZR 1000. Really, the 2015 units are not much different than the 2014, but I have sold through all my 2014s.”
- “Polaris is currently the best seller, and they continue the trend by bringing out a wide variety with new improvements.”
- “Polaris has the looks, style and performance buyers are looking for.”
- “Can-Am is pushing Polaris on the ATV side already and beginning to pressure share on the side-by-sides with their new innovations. They will grow share this year for sure, and probably we will begin to see the push by November or December.”

## Japanese Manufacturers

- “It is a Honda Pioneer vs. Polaris Ranger. People do like Honda’s reliable name and reputation, but riders prefer Polaris for performance. Kawasaki Mule has no speed in comparison.”
- “Yamaha and Honda continue to add and improve their units, but they are not keeping pace with the sport side of the business.”
- “The Japanese manufacturers are not doing much. I just spoke to the Suzuki rep, and they do not have anything new in ATVs or their off-road lineup. They are not trying to compete with Polaris or Can-Am.”

## ATV vs. Side-by-Side Market

- “I would say both markets continue to grow, but the side-by-sides are growing faster.”

## Expectations and Developments

- “Polaris dropped their midrange 800cc and has focused more options on their smaller 570cc [ATVs] and bigger 900 cc and 1000cc [side-by-sides].”
- “We have sold a couple of the little ACE units, but they were the smaller 330cc. We just got the new bigger 570cc in last week. I do not think they have really done much marketing on the bigger units yet. Nobody is really aware it is available.”
- “We will get the new Slingshot at the end of October. People are really excited about it, and it is bringing in a lot of Internet leads already. ... It will draw a lot of traffic when it gets here, for sure. Honestly, I think people will look at it more like a car. It will sell around \$23,000. There is nothing like it out there yet.”
- “The [Can-Am] Spyder is conceptually similar, but it is really a three-wheel motorcycle and runs around \$31,000. It is more expensive and really appeals to a motorcycle rider.”
- “Everyone is talking about the new turbo Can-Am Maverick. It has 1000cc motor, and with the turbo it has great acceleration and top speed. Can-Am just has better fit and finish than Polaris, but it is a bit more expensive as well. Maverick is around \$24,000, and Polaris RZR is closer to \$21,000.”
- “We have a couple of deposits already down for Slingshots and the Can-Am Maverick turbo. I have Polaris RZR in stock, but I have sold through the four-seaters, and that is the highest demand vehicle we sell here.”
- “We do have a lot of people coming in looking for deals. But we have already sold through most of our 2014 models, so they really are not an option.”

## 8. Sales manager at a multi-brand dealership in North Carolina

Polaris likely will maintain its dominance in the sport side-by-side category, but the Kawasaki Mule is the biggest-selling utility side-by-side. Recreational vehicle sales are important to the market but continue to be tempered by the economy. Honda is the top selling ATV, and all Japanese manufacturers beat Polaris in quality and reliability. Still, Honda pressured this dealership into buying a full-year supply of Honda vehicles last spring; the source still is sitting on that inventory. Polaris has too many options, too many to display and is pushing up its prices too high.

### Market Share

- “Polaris will maintain dominance in the sport side-by-side sector, but our best seller on the utility side is the Kawasaki Mule.”
- “The meat of our business is the recreational user. The economy is not encouraging though, and recreational users are not really comfortable spending right now. We are closing one of our three dealership locations.”
- “Polaris has definitely gained popularity and grown its name recognition over the last few years. They also offer better consumer incentives with financing or rebates.”

### Japanese Manufacturers

- “Honda is still our No. 1 seller in ATVs. And, honestly, if anyone asks, I recommend anything but Polaris on quality and reliability.”
- “In the spring Honda really pressured us to order a full-year supply of units all at one time or they would keep us from being competitive. It bordered on coercion in my opinion. I think they are in a panic. I did not like it, but I did it. I have not ordered anything else from them since because I am sitting way overstocked on their units now.”
- “Honda has added a few enhancements but nothing earth-shattering. It seems like they are on a new path with some more selection, new features and innovation. Their 2015 units offer independent rear suspension. They are beginning to try to keep pace with Polaris.”

### ATV vs. Side-by-Side Market

- “We still sell 20% more ATVs than side-by-sides. Sales have been pretty much the same since the economy turned back in 2008. Ours is the last industry to show recovery.”

### Expectations and Developments

Polaris has definitely gained popularity and grown its name recognition over the last few years. They also offer better consumer incentives with financing or rebates.

In the spring Honda really pressured us to order a full-year supply of units all at one time... I have not ordered anything else from them since because I am sitting way overstocked on their units now.

*Sales Manager  
Multi-brand Dealership, North Carolina*



- “Polaris has a ton of new options now, so many that in order to have every possible option on my floor, I would have to showcase 115 different units. It is really too much. It never fails: I can have the one with all the right options, but it will be the wrong color.”
- “I have one little ACE on the floor, and it has not sold. I canceled my order on a second unit for now. It is a niche market, and not a lot of buyers are interested in it.”
- “We will not get the Slingshot here. Only the Victory/Indian motorcycle dealerships will get it.”
- “I still have a lot of buyers who just want a better deal. Since I have a lot of 2014 models on my floor, I expect I will be selling them for a while yet.”
- “Polaris is asking nearly \$30,000 for a high-end sport RZR, and that is just too expensive for my customer.”

## 9. Salesperson for a multi-brand motorsports dealership in Southern California

Polaris has a very strong hold on the side-by-side market while the Japanese manufacturers are lagging behind. Customers are switching to Polaris machines, and riders want new vehicles for the performance and horsepower. The side-by-side market has taken away from the ATV sport business, as consumers prefer the dual or multiseated vehicles. The source believes he will sell every ACE and Slingshot that his dealership receives.

### Market Share

- “Polaris has the stranglehold on the side-by-side off-road vehicle market.”
- “Polaris will maintain its stranglehold on the side-by-side space.”
- “Consumer and dealer mindset about Polaris is holding steady.”

### Japanese Manufacturers

- “The Japanese are not doing much to gain market share in the ATV and ORV market. We do not see much coming from Kawasaki and Honda in our dealership, and we do not sell the Yamaha product here. Polaris is innovative.”
- “Competition from Honda and Yamaha has not altered the sales landscape for Polaris at all. They are not hurting Polaris’ sales.”
- “Customers are not switching from Polaris to Japanese manufacturers. It is the opposite. People who own a Yamaha Rhino are moving over to the Polaris product.”
- “I do not see any changes from the Japanese manufacturers for the 2015 models. I think they are happy with their current market share.”

### ATV vs. Side-by-Side Market

- “The ATV market is dead. Side-by-sides have taken away the sport ATV market. A two-seat or four-passenger side-by-side becomes a family-type deal. Now we sell one side-by-side where we used to sell two ATVs.”

### Expectations and Developments

- “The 2015 models are competitive with price and performance.”
- “The ACE has a brand-new motor, and the Slingshot is a totally new vehicle. We cannot wait to get them. We should sell every one we get.”
- “People are buying new. You will have those customers who want that discount on a 2014, but for the most part we are seeing people lay down the money for something brand new because the new models have better performance and increased horsepower. We are very performance-oriented in this area, and the biggest seller I have is a Polaris side-by-side.”
- “The Can-Am is coming in with more horsepower, and should be arriving in showrooms at any time. We probably sell seven or eight Polaris machines for every Can-Am.”

Customers are not switching from Polaris to Japanese manufacturers. It is the opposite. People who own a Yamaha Rhino are moving over to the Polaris product.

*Salesperson, Multi-brand Motorsports Dealership, Southern California*

## 10. Owner of a Polaris and Arctic Cat dealership in Wisconsin

Sales are down and likely will be poor in 2015 for overall ATVs and side-by-sides, primarily because of the lack of must-have product. Polaris still rules, but Honda is stepping up with some new models. Also, Yamaha unleashed its six-passenger vehicle, which may be popular with hunters. The source doubts Polaris can maintain its hold on the side-by-side space because it will lose some share to Honda, Arctic Cat and Yamaha. Consumers have not changed their

perceptions about Polaris, but competition is real and in some cases aggressive. The Polaris ACE has been a dud so far, and the company unveiled a very high-priced model for which it will not offer rebates.

## Market Share

- “Polaris will not maintain its stranglehold on the side-by-side space. I think they are going to lose some of it. Honda will take some of it back. I would expect Yamaha to take some, and I really think that Arctic Cat is going to take some of it.”
- “Polaris’ market share has gone down a little. They have lost some share in ATVs, and if they have lost some share in ATVs they have also lost some share in side-by-sides.”
- “There is some interest in Arctic Cat. Not that people are getting rid of their Polaris side-by-side, but our Cat snowmobile guys are looking more at Cat side-by-sides. I am expecting that to grow. The Cat side-by-side was not very good up until a couple years ago. The Arctic Cat [HDX](#) is a good competitor to the Polaris machine.”
- “The Cats are always more expensive than the Polaris. The only reason someone would buy a Cat was if they were a Cat fan, and that usually stems from snowmobiles. The Cat ATVs and off-road-vehicles in Wisconsin are real low. They do far better in the southern part of the country, which I cannot explain as the snowmobiles are big up here. But Cat did not have a RZR equivalent until two years ago, and that is doing real well. Their [Wildcat](#) is making inroads to Polaris’ RZR.”
- “Honda has dropped pricing on one of their units to be competitive with Polaris. Polaris is cheaper than Cat. Honda came down to match their price point, and they remodeled their units. And Yamaha entered the six-passenger market, which is big with the hunters.”
- “There has been no change among consumers and dealers toward Polaris. If you are looking for a side-by-side—and if you are not a Honda, Cat or Yamaha fan, if you do not care—then Polaris is your best buy.”

## Japanese Manufacturers

- “Honda supposedly stepped up. ... Apparently they are back with a vengeance with new models.”
- “Yamaha has a new six-passenger machine that they did not have before. That was Polaris’ niche; they were the only major one who had a six-passenger.”
- “Honda in particular has been losing market share to Polaris for a long time. Polaris’ biggest competitor is Honda, but Honda for a long time had no real good vehicles. Even the side-by-side was a lackluster thing. This year they came out with a new product, and Polaris is concerned about them.”

## ATV vs. Side-by-Side Market

- “Both the ATV and the side-by-side markets are slow. We sell more ATVs than side-by-sides as they are cheaper units.”

## Expectations and Developments

- “The 2015 model sales will be poor, flat to down. There is not anything new and wonderful about them that could cause people to buy a 2015.”
- “Our sales are kind of down. I do not know if the market is down or if more people are buying the other brands.”
- “Consumers today would go to last year’s models to save money. The 2014s will do the exact same job as the 2015 models, and they have better rebates.”
- “I am not a Slingshot dealer. I wish I was. I have high hopes for it, and I think it will do well.”
- “ACE was a cool idea, but so far it has been a big dud. I have sold none and had no requests or interest, nobody coming in asking for it. When it was first brought in, there was interest but no takers.”
- “I have had ACE vehicles before and could not peddle them, so I traded them off to another dealer. I took some of his bad stock and he took some of mine.”
- “Polaris has a new policy where they are not competing on price with their top-of-the-line unit. It is very expensive, about \$19,000. I did not stock any of the Polaris 1000s. Polaris’ opinion was that if you want the product, this is what it will cost. If you want to spend less money, you can buy one of the lesser-priced ones, which is why I did not stock them. They went a little above and beyond. Selling units is difficult as it is.”

## 3) Industry Specialists

All six sources said Polaris holds the most market share and will continue to do so. Japanese manufacturers are not a threat because they lack innovation. One source said Polaris has had issues with quality, but another said the company has rectified those issues. The side-by-side market is growing more quickly than the overall ATV market. Three sources who commented on

the Slingshot expect it to create a lot of buzz and to be successful.

## **KEY SILO FINDINGS**

### **Market Share**

- All 6 sources said Polaris holds the most market share and will continue to be dominant.
- 4 named Can-Am as Polaris' closest competitor.
- 1 said Polaris has issues with quality, while another said the company has solved those issues.

### **Japanese Manufacturers**

- Japanese manufacturers are not a near-term threat.
- 2 of 6 said Japanese manufacturers are trying to catch up in terms of engine power, but 1 believes they are intentionally not pushing more powerful engines based on passenger safety concerns.
- 1 said Yamaha has many [programs](#) to support local off-road clubs.

### **ATV vs. Side-by-Side Market**

- All 6 see the side-by-side market as growing more quickly than the overall ATV market.

### **Expectations and Developments**

- 3 commented on the Slingshot and expect it to be a huge success.

## **1. Power sports test and race driver, Internet reviewer and author**

The last few years have brought a massive shift from overall ATVs to side-by-side units, and Polaris now holds about 90% of that market share. Can-Am has introduced a turbo Maverick that may draw off some share this year. The new Polaris Slingshot is a game changer, and Polaris is not likely to be able to meet demand in the Slingshot's first year.

### **Market Share**

- "Polaris owns the side-by-side market, but Arctic Cat has introduced 50-inch and 60-inch models and Can-Am has just come out with a turbo Maverick. These models will get some respect."
- "Can-Am and Arctic Cat are trying, but they are not keeping pace with Polaris."
- "We have seen a huge shift toward Polaris over the last few years. They get the top number of responses on our sites, and people are very responsive to their innovation and new product lines."
- "Every year Polaris brings out new improvements to stay ahead of the pack. It is all about speed and performance."
- "Initially Polaris started as the small guy on the block. Now they hold 90% of the market share while all the other players share the remaining 10%."

### **Japanese Manufacturers**

- "Japanese manufacturers are not responding to the demands of the consumer for high-performance off-road vehicles in the American market."
- "I am not aware of any new Japanese innovation in this category. We have been trying to get feedback from several of the Japanese companies for our websites, but we are getting no response. Usually companies are good to work with us because we help them get their name out there. And we review their products. We just want to help them out, market their products, get people talking about them and raise interest."
- "Side-by-sides are great off-road vehicles, but the Japanese are not even on the radar in this category."

### **ATV vs. Side-by-Side Market**

- "It has been a massive shift from ATVs toward side-by-sides, and we are very excited about the new products and innovations we are seeing. Traffic on our side-by-side websites has grown substantially faster than any other forum."

### **Expectations and Developments**

- "Polaris made a lot of improvements for 2015, increased power, redesigned the RZR S, 50-inch RZR. People are excited about the new innovations."

**We have seen a huge shift toward Polaris over the last few years. They get the top number of responses on our sites, and people are very responsive to their innovation and new product lines.**

*Power Sports Test & Race Driver,  
Internet Reviewer & Author*

- “We were instrumental in launching the ACE initially. It is a safer unit, for an older driver or a younger kid, or maybe just a more conservative rider you want to keep safe, like your wife. But some people needed more power so Polaris is offering a more powerful 570cc unit with better performance in 2015.”
- “The Slingshot is what we are excited about. We are already seeing more demand than Polaris will be able to meet in the first year of production, and that is just from videos of test drives and pictures. When these machines hit the streets, demand will grow exponentially.”
- “Polaris is also growing its investment in the motorcycle category with the Indian motorcycles. The new [Scout](#) that is coming out this year has raised a lot of attention, and it will compete easily with a Harley but for a lot less money.”

## 2. President of a Midwest ATV association and owner of a motorsports-focused insurance agency; repeat source

This source is a big Yamaha fan given its grant program to his ATV club, but the company and other manufacturers have not come out with anything to rival Polaris’ new models. He said 60% to 70% of ATV/side-by-side riders today would buy a Polaris. Only Can-Am offers a competitive product. Polaris will continue to dominate the side-by-side market.

### Market Share

- “Polaris’ market share appears to be rising, based on what I see when I am riding.”
- “Today 60% to 70% of riders would buy a Polaris.”
- “Can-Am seems to be the other innovative brand. ... I am 59, and I have a Can-Am. They have a unit in our fleet. I would not personally say they are any more comfortable, but they are as comfortable as a Polaris.”
- “Polaris’ competitors are trying to catch up. They all have a different strength that they try to play to. These strengths include suspension/ride, power.”
- “Polaris dominates in the side-by-side space. ... I have not seen any indication that anything will change.”
- “I remember back in the day when everybody laughed at Polaris when they first came out. Nobody is laughing today.”

### Japanese Manufacturers

- “I was just with some folks at Polaris and Yamaha. And I have not heard anything that is earth-shattering from Yamaha—something that is unique like the ACE or the Slingshot.”
- “I would guess in their boardrooms nobody is ever content, but I am not seeing anything [really new]. In our area of the country, it appears that Yamaha and Suzuki are the closest to bring out something different.”
- “Yamaha has a grant program, and it lends well to getting grass-roots support. They are giving back. Yamaha has a program for organizations like ours and local chapters with our organization. We can apply for grants for trail projects: bridge work, trails, signage. Polaris has a similar thing.”
- “Yamaha may be tight with Polaris. We have not seen anything new from Honda that got anybody excited. Yamaha’s products are good.”
- “In the earlier years people may have switched from Polaris to a Japanese manufacturer because of quality. Polaris has caught up and surpassed in quality. It comes down to a sphere of influence of friends who have a preference.”
- “I do not ask for money in our club. But Kawasaki, Yamaha, Can-Am all provide a fleet of loaners that I rotate in.”

### ATV vs. Side-by-Side Market

- “The side-by-side market still dominates as far as new sales, from what I have seen. I get the numbers monthly from the state on which kind of vehicles are being registered. There are two reasons for this: We have a new demographic, an older group. They would have never bought an ATV that they have to swing their leg over. Others are not up for that hard-core riding. The new demographic wants everything smooth, so we are trying to adjust to that. Also, I see far and away more gals than in the old days.”

### Expectations and Developments

- “I expect continued updates and modernization for 2015 models. The industry as a whole keeps upping the game, so to speak, as far as comfort, performance, suspension. I expect nothing different.”

Polaris dominates in the side-by-side space. ... I have not seen any indication that anything will change. ... I remember back in the day when everybody laughed at Polaris when they first came out. Nobody is laughing today.

*President, Midwest ATV Association & Owner, Motorsports-focused Insurance Agency*

- “We have an ACE in our stable of vehicles. From what I have read, the target market is different than the experienced rider, but we have had experienced riders in them. The folks with no experience like it, and the folks that are experienced not so much.”
- “Everybody is talking about the Slingshot, but I have not ridden one and have only seen the promotions on it. That is a street vehicle, so it will not necessarily be in our stable.”
- “What model year people buy depends on the consumer. I know people in our campfire discussions who will buy anything new. Then we have the other circle, and all they are looking for is a bargain.”

### 3. Vice president of a Colorado-based ATV club

This source owns a Can-Am vehicle and said some people in his area have switched from Polaris to Can-Am, largely because the latter is more stable. His club members are more interested in comfort than innovation. Polaris consumers are not switching to Japanese brands, which are trying to catch up in terms of power and durability. Side-by-sides are increasingly popular, and Polaris should maintain its dominance of this space. Despite some stability issues, Polaris machines fit nicely on the trails, and consumer mindset has remained steady about the company's products.

#### Market Share

- “I really do not think Honda and Yamaha have hurt Polaris a bit. Polaris is the leader in this industry.”
- “A lot of competitors are coming out with a side-by-side, but it is not hurting Polaris. These competitive machines are either higher-priced or they are not of as good quality.”
- “People are not switching from Polaris to Japanese manufacturers. The only ones who are switching from Polaris are going to Can-Ams. The biggest reason that I have heard for this switch is the stability of the Can-Am vehicles. One of our members has a new Polaris machine, and she has turned it over twice backwards, without a passenger. She is looking at a Can-Am because of the stability. I used to own a Kawasaki, and it was marginal all the time for me.”
- “Polaris has better prices on their vehicles. Can-Am is higher-priced. Polaris will undercut the Can-Ams.”
- “I have not looked at Honda for the last three or four years. I bought a Can-Am, and I have been so happy with it compared to other models I have owned. I have rode a lot of Polaris machines. I did not like the braking systems. I do not like the jerkiness of the clutches on the new ones, and the power steering is so light, you do not have a feel for the terrain.”
- “I have been on Can-Ams for seven years. Once in a while I'll get on an Arctic Cat or Polaris to try them out, but I still like my Can-Am.”
- “Polaris will maintain its stranglehold on the side-by-side space. Can-Am's biggest problem is that they make the wider machines that do not fit on a lot of the trails where we go. Polaris makes smaller machines that fit on these trails.”
- “Consumer mindset about Polaris is pretty steady.”

#### Japanese Manufacturers

- “The Japanese manufacturers are trying to catch up in terms of power and durability. That is the thing I see lacking in the Kawasakis and the Yamahas.”

#### ATV vs. Side-by-Side Market

- “We are now seeing more side-by-sides than the regular ATVs.”
- “The trend right now is going for the side-by-sides. A lot of people like to ride two to a machine.”

#### Expectations and Developments

- “I do not expect a whole lot more in 2015 than what the manufacturers have already come out with. The 2015s are pretty much already out, and they have made some improvements.”
- “A lot of riders are trying to save money. ... We [older riders] are not into the new innovation as much as we are the comfort of the machines.”

### 4. Officer in a Western, off-highway riders club

Japanese manufacturers lag far behind in this market, so much so that this source mentioned only Arctic Cat as a viable competitor. Still, even Arctic Cat is a little late to the party. He sees more Polaris machines on the trails than any other brand. Side-by-sides are hot, so hot that off-highway motorcycles are dead and other ATVs are not as popular now.

Polaris' ACE could be a winner, but the vehicle needs a bigger engine. He compared the Slingshot to a three-wheel sports car, and was unsure how it would do in the market.

## Market Share

- "The new Arctic Cat 50-inch-wide [Trail](#) offers users an option to the 50-inch Polaris, which is good. However, it may be too little, too late."
- "In certain parts of the country where riding on public land is the norm, users must deal with the 50-inch U.S. Forest Service [rule](#). Therefore, the 50-inch-wide models are more popular. Polaris owns this market. The Arctic Cat Trail meets the 50-inch requirement but has a 700cc engine vs. the RZR 900cc. There is a significant cost difference, but the bigger engine and refinements of the 2015 RZR are very impressive."
- "Out on the trail I see more Polaris machines than all other manufacturers put together. It looks to me like Polaris still owns the market."

## Japanese Manufacturers

- "If Japanese manufacturers are interested in the side-by-side market, they will have to change."

## ATV vs. Side-by-Side Market

- "The interest in side-by-sides is growing. I know people who are switching from off-highway motorcycles and ATVs to side-by-sides."
- "Side-by-sides are growing in popularity vs. ATVs. Off-highway motorcycles are dead."

## Expectations and Developments

- "The ACE could be a winner, but will need a bigger engine. A lot of side-by-side users ride solo but like the feel of the side-by-side. This includes things like the roll cage, seat and seat belt, doors and maybe a windshield."
- "Not sure about the Slingshot. I own a Can-Am Spyder. With the Spyder you still get the motorcycle experience. The Slingshot is more like a three-wheel sports car."
- "The new RZR 900cc 50-inch-wide model will be a winner. Owners of 50-inch-wide 800cc RZR and 700cc Arctic Cat Trail will see their resale value drop."

The interest in side-by-sides is growing. I know people who are switching from off-highway motorcycles and ATVs to side-by-sides.

*Officer, Off-highway Riders Club  
West Coast*

## 5. Editorial director of a large power sports publishing group; repeat source

Japanese manufacturers are concerned about younger consumers who allowed to use an off-road vehicle even while not being allowed to drive a street machine. They have learned from experience and lawsuits, and will slowly move ahead to 75 HP but not until Polaris and Can-Am move way past that. ATVs have dropped to about 25% of the off-road industry, with side-by-sides dominating the larger portion of sales. The Japanese manufacturers still hold the lead with ATV racers. 2015 innovations for both Polaris and Can-Am will make them some money, and all their profits go back into engineering and technology. Polaris' Slingshot and new Indian Scout have created a lot of excitement. Polaris is likely to sell 100% of its production capacity in the first year with these new models.

## Market Share

- "Polaris and Can-Am have more faith in the customer's judgment. Polaris has taken the lead and brought out more innovation and HP. Their machines are lower and wider than the Rhino original. Can-Am's 1,100-lb. machine would kill the rider in a rollover, so they have to have roll bars or a cage for safety."
- "Now it is just an arms race between Polaris and Can-Am. Can-Am has escalated the race with their new turbo Maverick with 120 HP."
- "Polaris is well established now and entrenched. They have a good reputation with the customer."
- "Polaris' top-selling RZR and Ranger have great reputations and a lot of enthusiasm, so that helps every other line and model of Polaris' vehicles. They all benefit from the name recognition."

## Japanese Manufacturers

- "We will not see any change from Japanese manufacturers until the clout and rank in the Japanese industry is willing to step out. ... They are only working on graphics and a broad wheel base to produce 'jeeps,' not 'racing buggies'. Racing buggies are sexy and fast, and jeeps are just conservative."

- “The Japanese learned the hard way; they took the front end of the lawsuits when kids were killed on three-wheelers back in the 1980s.”
- “Suzuki is staying behind, at the bottom of the Japanese pack. They are happy serving farmers with quality, reliability and safety. And these machines last 10 or 11 years before they need to be replaced. Farmers love those machines.”
- “The Japanese are concerned with power-to-weight ratios and ground clearance, better suspension, but they are not raising any interest.”
- “There is always a 5% to 10% chance that some Japanese company will open the gate and take the lead all at once. They already have the technology and the engineers and the enthusiasm. They are using much faster engines in street motorcycles. They can beat anything in the off-road industry for speed and performance. It just takes someone willing to start it.”
- “The Japanese may creep up to a 75 HP, but they will wait and stay behind the American manufacturers, behind Polaris and Can-Am. Polaris had 90 HP in the RZR XP when it came out, and Can-Am has 120 HP this year.”
- “Kawasaki has the technology to change the game completely, but I do not expect it anytime soon. They could blow away every other off road machine out there with acceleration, speed and stability. They have loud enthusiasts pushing from the inside, but they learned from Yamaha and Suzuki that they cannot take the risk.”
- “We will see some three-seater side-by-sides from Kawasaki this year and maybe some other new stuff, but it will all be jeep-style family machines and farm utility vehicles.”
- “Japanese supply is not an issue, so I do not expect to see a change in production. What they need is PR.”

## ATV vs. Side-by-Side Market

- “ATVs have dropped to only about a quarter of the overall sales now, with side-by-sides the larger majority. Japanese manufacturers still have the lead in ATVs for racers but not in the side-by-side category. They have capped the weight on a side-by-side to make them safer, to keep the driver safer in a rollover accident.”

## Expectations and Developments

- “Polaris is at the top, but Can-Am is in the game with high-performance innovation.”
- “Side-by-sides appeal to a broader market than the original single-rider ATVs. They are broader, safer and offer cages, steering wheels and seat belts. They have a great family appeal, and everyone can ride together.”
- “The 2015 models will mostly just make gradual steps up, improvements over last year from everyone.”
- “Can-Am and Polaris will both make some money on their new innovation this year. They are getting attention, and it is all good news in terms of making money, which they will put back into innovation and engineering.”
- “The Polaris Slingshot is what we are most excited about. It is a three-wheeled street machine, more like a car. A motorcycle has less safety regulation than a car, and this is classified as a motorcycle. But it has doors, a steering wheel and seatbelts, but drivers and riders are required to wear helmets.”
- “The Slingshot is designed to compete with the Can-Am Spyder.”
- “The Slingshot may be a game changer, and it is sure to be a big money maker. There is so much buzz about it already. Our video and story did better than any story we have out there. It appeals to a huge cross section of the market. It is considered safer than a motorcycle, a better performer than a car, and less expensive than either a high-performance motorcycle or an inexpensive sports car.”
- “We are also very excited about Polaris’ new Indian Scout motorcycle. They will sell 100% of their production capacity this year. It is not a huge market share, but the Scout is beating everything out there in its class in tests. And it is not an expensive machine either.”

## 6. Certified ATV safety trainer and the vice president of an ATV association on the East Coast

Although Polaris will maintain its share of the side-by-side market, it does have issues with quality, particularly wheel bearings. Riders in this source’s club can ride 3,000 miles on a Japanese model before taking it into the shop, but those with a Polaris ORV need to replace wheel bearings at 1,000 miles. Also, Honda, Yamaha and Can-Am are lining up with more competitive models. Still, this source likes Polaris’ ACE and said it fills a niche.

### Market Share

- “Polaris will maintain its stranglehold on the side-by-side space, but they have to come around back to their quality control.”
- “I have seen a couple 2015 models that members of our club have purchased.”

- “The only thing with Polaris is the cost of operating a Polaris. It seems like every time we go out for a ride, the people with RZR’s have expensive repairs afterwards. The workmanship is not there in the machine. The wheel bearings are terrible, and there have been electrical problems.”
- “Because of Polaris’ failure in the last five years to address ongoing issues, like the wheel bearing issue, it has impacted them. You can ride a Honda, Yamaha or Kawasaki 3,000 miles before you go to the shop. With Polaris, you can only ride 1,000 miles before you have to change the wheel bearings—and that is a big difference. I know the manufacturer knows about this problem.”
- “Polaris’ competitors are improving their off-road vehicles’ styling, the ride itself, the smoothness of the ride. They are trying to come up with more options. Some are putting in MP3 player connectors and turn signals.”
- “Polaris might have peaked because of the past problems. But people still want the side-by-side and the Polaris because of their looks. They like the windshields and the lighting systems.”
- “Can-Am is beginning to take some share from Polaris. That is what I am seeing here: more Can-Ams. They are not as sporty as the Polaris machines, but people like the Can-Ams.”

## Japanese Manufacturers

- “A couple of our club members have a Honda. And CFMoto sales are way up in this area.”
- “The Japanese off-road vehicles are all quality, reliable machines. It is hard to get parts for some of the Chinese models we have in the area, and the quality is not there.”
- “I look for Japanese manufacturers to ramp up production.”
- “Honda is coming out with a more sporty side-by-side to compete against the Polaris. The Yamaha Viking is also out there. Can-Am has their Maverick.”
- “If customers switch from Polaris to a Japanese manufacturer, it will probably be because of price. The Japanese vehicles are quite a bit cheaper; you will see a \$3,000 difference between a Polaris vehicle and others.”

## ATV vs. Side-by-Side Market

- “The side-by-sides are definitely becoming more popular compared to the ATV. If you are a family, you only need to buy one machine. The side-by-sides have comfort and a high back seat.”

## Expectations and Developments

- “I like the ACE. If I did not have someone who rode with me, I would have an ACE. That is a niche here that needs to be filled. Our club has a lot of elderly members and it is hard to straddle an ATV, but with the ACE you are stepping through so that is a big plus. I have not seen or rode the Slingshot.”
- “The ACE is like having an ATV but it has a roof. You feel more secure with the roll cage and the harness system, and you step through and not over. Older people like it; it is sporty and has zip.”
- “Over the last couple of years Polaris changed the shock treatment, and that was a big reason for people wanting to buy the 2014 models: the comfort of the seat ride. I would buy a newer one.”

You can ride a Honda, Yamaha or Kawasaki 3,000 miles before you go to the shop. With Polaris, you can only ride 1,000 miles before you have to change the wheel bearings.

*Certified ATV Safety Trainer & VP of ATV Association, East Coast*

## Secondary Sources

The following four secondary sources discussed a rise in interest for trikes, Polaris’ release of its Slingshot, its first manufacturing plant outside the United States, and its lead in Australia’s ATV and side-by-side sales.

### Sept. 14 *Pocono Record* [article](#)

Trikes are becoming more popular, particularly those with two front wheels like the Can-Am Spyder.

- “Trikes ... have grown in popularity recently. It is partly propelled by aging riders switching to something easier to handle. (Motorcycles weigh anywhere from 250 to 1,000 pounds.) There is also an emerging baby boomer segment seeking a little free-spirited fun, but with less chance of a spill.”
- “‘A trike is easier to move in and out of the garage than a two-wheeler,’ noted Herman. ‘But a trike rides rougher.’”
- “Trikes have not been so easy to order. Harley-Davidson offers a factory-made trike called the Tri Glide Ultra, and Boss Hoss has a trike, too. But for the most part, trikes are retrofits.”



- “The Lehman Trikes Co. has been a leader in the development of trike kits—the parts needed to convert a two-wheeler into a three-wheeler. It does so for a range of models: Harley-Davidson, Honda, Victory, Suzuki and Kawasaki.”
- “Honda doesn’t make a trike itself, but its Gold Wing model has risen to be one of its most popular models to convert. Lehman also produces motorcycle trike accessories.”
- “Jim Schlier, owner of Pocono Mountain Harley-Davidson in Snyder’sville, said he is definitely seeing more interest in trikes. ‘Last year, we couldn’t keep one on the floor,’ Schlier said. ‘This year we ordered more. We got a 2015 model in last week, and it sold in a day.’”
- “And coming soon from Harley is a new trike model—the Freewheeler. It has a lighter chassis and is priced lower, making it more appealing. The cost of trikes is typically higher than a traditional motorcycle because, as Schlier pointed out, they include another tire and wheel.”
- “‘There are many accessories for the trikes line, and people customize it to their taste,’ Schlier said. ‘It is not uncommon to spend several thousand dollars doing it.’”
- “While Schlier said he expects his sales of trikes to rise this year, percentage-wise it is still a small piece of his business. ‘There are 35 different models of Harley, and the trikes represent one,’ Schlier said.”
- “There is another segment in the three-wheeled world that is gaining traction: bikes with two wheels in front and one in the back, such as the Can-Am Spyder. There is also a model being introduced later this year from Polaris called the Slingshot, which has the look of a sports car. Meanwhile, Can-Am is extending its lineup with the Can-Am Spyder F3 this month.”
- “Some traditionalists refrain from calling these trikes. The dual-front trike is said to be even more stable than those with the two wheels in the back.”
- “At Horn’s Outdoor in Mount Bethel, the Can-Am has proven so popular, the dealership ceased selling two-wheeled motorcycles in January and now devotes its lot to what the company calls ‘roadsters.’”
- “‘With the roadster, you can’t flip or fall off, and you get noticed on them,’ said Bill Pysner, a department manager.”
- “While [John Paliwoda, executive director of the National Council of Motorcycle Dealer Associations] couldn’t provide industry sales data, he noted that the motorcycle market has not yet fully recovered from the economic downturn. There are efforts underway by several manufacturers to draw more riders, including more women.”

## Sept. 19 [Jacksonville.com article](#)

Polaris recently unveiled its 2015 lineup of on- and off-road vehicles, highlighted by its new Slingshot.

- “Celebrating 60 years as a respected leader in powersports, Polaris Industries Inc. recently unveiled its 2015 product offerings from its on-road and off-road vehicle divisions.”
- “It-new vehicles include the RZR 900, RZR S 900; full-size and two-passenger RANGER 570, Sportsman XP 1000, Sportsman ETX and Sportsman ACE 570 off-road vehicles; Victory Magnum and Indian Roadmaster motorcycles; and the revolutionary three-wheel motorcycle, Slingshot.”
- “Slingshot”
- “Polaris is making history with the launch of its highly anticipated three-wheel motorcycle. This innovative vehicle offers a thrilling new on-road driving and riding experience.”
- “‘Slingshot was designed to deliver head-turning exhilaration on two dimensions,’ said Mike Jonikas, vice president of Slingshot. ‘First is the exhilaration that you can see, hear and feel while riding in Slingshot. Second is the exhilaration you feel when people turn their heads to stare at Slingshot’s unique and exotic styling.’”
- “The open-air cockpit of Slingshot presents riders with a rush of sight, sound and smell. Its side-by-side seating gives both driver and passenger a front-row shot of adrenaline. Its wide stance and sport-tuned suspension fuels a rider’s desire to charge every corner. Slingshot is lightweight and powerful, making for heart-pounding acceleration.”
- “This all-new vehicle is powered by a 2.4-liter dual-overhead cam engine and a five-speed manual transmission.”
- “Slingshot has advanced motorcycle features, including electronic stability and traction control, three-wheel anti-lock disc brakes, LED taillights, forged aluminum roll hoops, and three-point seat belts.”
- “Slingshot will retail at a starting MSRP of \$19,999.”

## Sept. 23 [StarTribune article](#)

Polaris opened its first non-U.S. manufacturing plant in Opole, Poland, and will begin shipping products from this facility in 2015. The new plant will act as the “cornerstone” to a third of sales coming from outside the United States.

# Polaris Industries Inc.

- “Polaris Industries Inc. announced the opening of a new manufacturing plant in Opole, Poland, on Tuesday, the first outside North America for the maker of on- and off-road power sports vehicles.”
- “The new plant gives the Medina company a 345,000-square-foot facility in the heart of Europe, where Polaris sells all-terrain vehicles, electric cars and other products across the continent.”
- “The new factory will have 300 employees and expects to ship the first products to customers by the first quarter of 2015. The plant will make about 35 different ATV models for six Polaris subsidiaries and 30 distributors in Europe, the Middle East and Africa.”
- “Polaris CEO Scott Wine said in a statement that Polaris has a goal of having a third of its total revenue outside of the United States. As a result, ‘The Opole facility is a cornerstone of our international growth plans.’”
- “In 2013, 72 percent of Polaris’ sales came from the U.S., 12 percent from Canada and 16 percent from other countries, chiefly in Europe.”

## Sept. 19 Weekly Times Now AU [article](#)

Polaris was Australia’s top ATV and side-by-side vehicle during August, holding 31.4% market share.

- “POLARIS is topping Australian ATV and side-by-side off-road vehicle sales with August figures showing the brand had a 31.4 per cent national market share.”
- “The company said the release of the Sportsman ACE and Polaris UTE earlier this year had been the main driver behind a 36.9 per cent growth on January-to-August year-to-date sales. This is in a market that grew just 3 per cent in the same period.”
- “Although full industry figures haven’t been released, Polaris’s performance puts it ahead of Honda and Yamaha, which have always been the leading players in this market.”
- “The brand had three of the six top-selling models in Australia during August with the Sportsman 400, Hawkeye 400 and Sportsman 570.”
- “Polaris said the Sportsman 400 was the biggest selling ATV in Australia.”

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## Additional research by Carolyn Marshall and Steve Evans

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