

Two more Factories enter the UTV Market

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As the UTV – Side x Side Market continues to heat up, we are seeing more UTV's every day. One day you're asking yourself what a UTV is, and the next you see them in the back of every truck on the road.

It appears as though the UTV market will carry the next decade. Just this month we saw the debut of 2 new models from Honda and RÜESCH Motor Company. Two companies that appear to be at opposite ends of the spectrum. On one hand, Honda has years of heritage and reputation for renowned performance while on the other hand, you have RÜESCH Motor Company, a newcomer to the scene of motor sports with ambitious plans to give the Big 4 a run for their money. Honda will bank on their established name and years of experience while RÜESCH Motor Company will undoubtedly begin carving out market share with competitive price and generous dealer profits.

April Palmer, President of Marketing for RÜESCH Motor Company, explains that sometimes being smaller can lend itself to distinct advantages: "We have the ability to focus on one product well rather than being distracted with hundreds of products, the ability to make quick decisions, but best of all, we don't have the burden of a monster overhead to feed. Streamline decisions and lower overhead means one thing: less cost and more profits for the dealers."

Honda declined comment regarding the industry trends and how their new model would stack up against the competition. Palmer is optimistic and full of enthusiasm for their new lineup. "We have the best of all worlds; our price is half that of other 650cc models, yet we are still able to offer the consumer twice the standard equipment. As a result, our dealers make twice the profit per vehicle. There are a lot of UTV's to compare with, but our side by side comparison with the Big 4 shows that we are faster than all but Polaris, we are the only brand with a manual / automatic transmission option, our payload is 850 lbs. to Yamaha's 400 lbs. and we offer the same warranty." Palmer added they make no excuses for their machines.

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When asked how they plan to win over consumer confidence, she smiled and said "We'll let the race track sort all that out." The Ruesch family has a century of race experience to rely on and though Honda tends to dominate the dirt, this company does not seem intimidated in the least.

When asked what the largest obstacle RÜESCH has to overcome, Palmer immediately said "CHINA". "I guess when your price is twice that of the new competition, the easiest argument is to dis-credit your competition's quality by suggesting that "China Made" is crap. We admit that some junk comes out of China, but so does 80% of America's quality consumer goods. Take for example the Apple iPhone. It is the most advanced phone on the market. Open it up and see where it is made. Try to buy a big screen TV, a computer or anything for that matter that is not made someplace in Asia."

"The truth is all the big manufacturers either have factories in China or they import components for assembly from China. What's the difference? The reality is that no one can continue to compete in this market unless they embrace the technology and labor advantages that China has to offer. We are China Made under the direction of multi-national engineers, R&D and design experts."

Palmer added their other obstacle is dealer pride and emotion. "Some Factory dealers start out by being anything but nice." Palmer admits she understands the reservation. "It's the Ford -Chevy thing. However, once they realize that the RÜESCH brand will be sold on Main Street whether they choose to carry it or not, the dealer has to decide if they want to make the money or let the guy down the street make it all. Once they see the significant price difference and realize that they will make twice the profit per machine, they generally come around." Palmer says that most dealers pick up the RÜESCH line expecting it will appeal to the secondary market that doesn't care so much about logos, but later discover it to be a top seller.

Comments from Honda were requested, but true to form, they seem to remain pretty tight lipped until after the green flag drops. It appears this will be sorted out on the race track after all.