

HISUN

Receiving an Industry

by: James Erskin

A new machine is showing up that by all accounts looks to be an affordable alternative to the more expensive brands of Yamaha, Polaris and Kawasaki. This UTV is manufactured in China by Chongqing Hsun Song Industries (Hisun or HSUN for short) and for the most part, is a well-designed vehicle at a price point that makes the major OEM's shutter. But it's not the design that will cause the damage; it's the business practices of the manufacturer and the wholesalers who distribute for them.

Hisun Industries manufactures an attractive machine and this is where the problem begins. Hundreds of dealers are falling for the looks not knowing that selling this machine will soon be damaging to their business, and when it does the greatest victim will be their customers.

We were going to name this article the "NO NAME MACHINE" because this UTV is not known by any one name, but rather multiple names. The manufacturer does not care what you call it so long as you order it. Consequently, well-known wholesalers all over the country are beginning to pick up this line and have given it many names. Roketta, calls it the UV-11, Sun L calls it the SLU 600, Q Link calls it the FRONTRUNNER 700 Powersports Max calls it the UV P002 and All Terrain USA calls it the MEGATRAX .

Then there are a scourge of no-name opportunists who are trying to get into the game that are groping for a piece of the action. Some of these companies don't even have warehouses, shops or staff as they begin calling dealers all over the nation with their own twist and attractive pitch for the very same machine. Each promising exclusive distribution rights to a machine they didn't design, they don't control and they will soon be walking away from.

Hisun, the manufacturer is doing business as usual; develop a machine and begin selling through a slew of mainland brokers who then begin negotiating with wholesalers and dealers everywhere. These wholesalers know that they do not have an exclusive customer base, but they begin promising dealers everywhere area protection that they know they cannot deliver; fighting feverishly amongst one another as the price drops daily.



Roketa UV-17



All Terrain USA HS600



All Terrain MEGATRAX



DIAMO Discovery XLT700



All Terrain USA HS600

Even as they speak, they know full well that time is limited. Unlike top OEM's and new UTV manufacturers such as Ruesch or Joyner, they do not control the product, they cannot protect the price point and they cannot deliver.

The worst threat, however, is the eventual EBay opportunist who buys direct from Hisun, and sells to the public for a few hundred dollars over cost. No service, no parts and no warranty. Once the price point is ruined and everyone discovers that there is no money to be made anymore, the game is over but the real loser will be the customers who were convinced to buy one.

This is happening all over America in discount shops, in front of gas stations, or anywhere someone has a little bit of frontage for two or three machines. No name machines, no rules, no protection, no parts and no service when no one is carrying the machine anymore. We speak specifically about the Hisun Utility Vehicle because it looks good and many dealers are falling for it, but there are other UTV factories that are doing the same thing. TNS, Kinroad, Jinhua Huasheng, Tongli, Golden Motor, Feiya, XinYang, Charming, AMW Motorworks, Jiangsu, Feda, Wanjin and Nanglong are all selling UTV's in the same manner with all the same problems. This is an exhausting list of factories that are hurting our industry.

Do not be fooled, there is a reason these machines are so cheap. It takes money to manage a product, to pay for hundreds of managers all over the country to oversee dealer compliance and guarantee that a product is being represented, sold and serviced in a way that will not disparage the product, the company who designed it or the dealers who carry it. A machine without any rules is a machine that will cost you money, reputation and eventually hurt your business as well as the industry.

Fly by night dealers do not care, but those who are concerned with reputation rather than a quick buck will think as much about the structure and quality of the business model as they do the quality of the machine. This is why so many want the products offered by the reputable OEM's but only a few are qualified to carry them. The business model by which machines are distributed is paramount to the long-term success of any dealers business. Ask the right questions and make sure you are protected from price point wars that destroy your profitability, area protection, parts availability, liability protections and guarantees that will insure you are building a relationship with a company that will not cost you more than you make.

For a close up look at these machines and the names by which they are being sold, please visit our website at: www.UTVdealerNews.com



DIAMO 650



Roketa UV-11



Q Link FrontRunner 700



All Terrain USA HS500



SUN SLU 600