

NMMA

Barriers & Competitors Quantitative Study

Final Report
September, 2004

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MARKETING®

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Background

- ❖ The NMMA and members of the marine industry have joined together to develop a plan to grow boating
- ❖ An initial step in the planning process was to identify the impediments to boat ownership among target consumers
- ❖ Eight focus groups were conducted with current and prospective boat owners in May of 2004 to identify the main motivations and barriers to boat ownership
- ❖ This report focuses on the follow up quantitative study designed to determine the relative importance of the potential barriers identified among a nationally representative sample of target consumers

Objectives

The primary purpose of this study was to...

- ❖ Determine which barriers have the greatest impact on boat ownership
- ❖ Identify what it will take to move prospective boat owners beyond these barriers
- ❖ Identify what items or activities are competing with boating for discretionary money

In addition to the above, information has been provided to better understand the differences between those interested in becoming boat owners vs. those who are not

Method

- ❖ An internet-based survey was conducted with a random sample of target boat owners from across the US (described in detail on the following page)
- ❖ 10,000 households were sent an invitation letter and reminder postcard directing them to a website to take part in the survey
- ❖ The NMMA was not disclosed as the sponsor of the survey and respondents were not informed at the outset that the study was specifically about boating to help obtain unbiased results
 - However, respondents were informed of the topic of the study after key purchase intention and product ownership information was gathered
- ❖ By participating, respondents received \$5 cash and were entered into a drawing for one of ten \$50 Amazon.com gift certificates
- ❖ Invitations were mailed on July 19 with a cut-off date of August 8, 2004
 - A total of 474 valid responses were received by this date

Sample Composition

- ❖ The target boat owner specifications used in this study were derived from a (PRIZM) profile analysis of 1st time boat owners
- ❖ From this analysis, the characteristics of 1st time boat owners was identified as follows:
 - Age 30-60
 - Married
 - Household Income of \$50K+
 - Reside in select geographic areas (mostly rural areas/small towns and suburbs in middle to upper income neighborhoods)
- ❖ Specific “high propensity” neighborhoods were identified based on the Claritas PRIZM_{NE} segmentation system
 - Twenty-eight out of 66 neighborhood segments had a household penetration index of 100 or higher for motorboats, sailboats or PWCs in total
- ❖ The list used for the present survey was sourced from Claritas
 - Households that were located in one of the top 28 neighborhoods and that met the other demographic requirements listed above were eligible for inclusion

Sample Composition (continued)

- ❖ A total of 10,000 names were randomly pulled from the population of US households that met the sample specifications
- ❖ The specific Claritas PRIZM_{NE} neighborhood segments represented in the sample were as follows:

ID#	Segment Name
1	Upper Crust
2	Blue Blood Estates
3	Movers and Shakers
5	Country Squires
6	Winner's Circle
9	Big Fish, Small Pond
10	Second City Elite
11	God's Country
12	Brite Lites, Li'l City
13	Upward Bound
15	Pools and Patios
17	Beltway Boomers
18	Kids & Cul-de-Sacs
19	Home Sweet Home

ID#	Segment Name
20	Fast-Track Families
23	Greenbelt Sports
25	Country Casuals
28	Traditional Times
32	New Homesteaders
33	Big Sky Families
37	Mayberry-Ville
38	Simple Pleasures
43	Heartlanders
45	Blue Highways
50	Kid Country, USA
51	Shotguns & Pickups
58	Back Country Folks
64	Bedrock America

Executive Summary

- ❖ Just under one-third of target households who have never owned a boat are at least interested in purchasing one someday (30.7% interested, considering or shopping for a boat)
 - This equates to approximately 3.5 million households “in the buying funnel” among those age 30-60, married, with incomes of \$50K+ and reside in high propensity neighborhoods
- ❖ It appears that the “Go RVing” campaign has been successful in bringing people into the top end of the funnel
 - The percent of target households who are “interested” in buying an RV or Camper greatly exceeds that of boats (31% vs. 22%) and all other big-ticket recreational products evaluated
- ❖ In contrast to those not interested in boat ownership, target households that would like to purchase a boat someday tend to be...
 - Younger (under age 45)
 - Have kids
 - Are more active in boating (participation)
 - Are more likely to participate in other outdoor recreational activities (fishing, golf)

Executive Summary (continued)

- ❖ The primary age group to target for prospective 1st time boat owners is under the age of 45
 - The median age of purchasing one's 1st boat is 27
 - Ninety-five percent of individuals purchased their first boat before age 45
- ❖ Consistent with previous studies, the main benefits of boating are to build relationships/spend quality time together, relax/reduce stress, go fishing and simply enjoy the outdoors
 - These were the benefits mentioned most often among prior/current owners or those interested in owning a boat someday (approximately one-third of respondents mentioned each item)

Executive Summary (continued)

- ❖ The “Family Bonder” is the single largest boating *need* segment followed by “Restless” and “Sportsmen” among prospective 1st time boat buyers

Segment	Size	Description
Family Bonder	50%	Seek quality time together. Primarily interested in Fish ‘N Skis or runabouts.
Restless	32%	Relaxation and stress relief are main motivations. The types of products of interest varies widely from pontoons, Fish ‘N Skis, PWCs, etc. (except boats designed specifically for fishing).
Sportsmen	12%	A boat is a means to get to the fish and a way to enjoy the outdoors among this segment. Products designed specifically for fishing – either aluminum or fiberglass – are appealing to this group.
Play hard	6%	This segment values physical forms of recreation in a social setting (with friends).
Self Actualizer	0%	Desires quality time by themselves. Not conducive to most forms of boating.

Executive Summary (continued)

- ❖ The main barriers to boat ownership are the ability to afford the initial purchase price, other financial priorities, time and maintenance/upkeep expenses
 - When asked to list the three main reasons for why they have not purchased a boat, half (51%) of prospective boat buyers selected “could not afford initial purchase price”, 40% selected “saving money for college education(s)”, 26% selected “too busy to use boat”, 24% selected “saving money for retirement” and 20% selected “could not afford maintenance/upkeep” as one of their top three choices.
- ❖ Prospective 1st time boat owners feel that they would need to use a boat at least 15 times per year
 - When asked how many times would they need to use a boat to justify purchasing one, two-thirds (66%) indicated between 6 and 20 uses with 15 being the median average

Executive Summary (continued)

- ❖ Boating does not appear to be largely competing with other *recreational products* for consumers' discretionary spending
 - Instead, one's interest in purchasing a boat is affected by their financial state and comfort level concerning other financial priorities (college educations, retirement)
 - Boats do compete, however, with other big-ticket discretionary items such as home improvements, home furnishings, vacations and new cars/trucks
- ❖ Though about half (54%) of prospective boat buyers *intend* to purchase their first boat new, *historical purchase behavior* indicates that only one-third (33%) actually do so
 - This is likely do to affordability issues
- ❖ Unfortunately, of those who start out with a used boat, seven in ten repurchase a used boat with their subsequent purchase
 - However, among those who start out “new”, the choice of used vs. new is largely a “jump ball” (49% purchase second boat new, 51% purchase used)

Executive Summary (continued)

- ❖ In addition to providing insights into the mindset and characteristics of potential 1st time boat buyers, the findings from the present study have broad implications for the industry's "Grow Boating" initiative. Specifically...
 - *The target market should perhaps be refined to focus on those under the age of 45 who are also married, have incomes of \$50K+, and reside in mid to upper scale towns/rural areas and suburbs*
 - *Distinct messages could be used to tailor communications to the salient benefits and product types corresponding to the three primary "need" segments (Family Bonder, Restless, Sportsmen). However, some of this "tailoring" might not be practical until after the individual prospect is engaged and their need segment is determined.*

Executive Summary (continued)

- *From a communications standpoint, it would be difficult to alleviate the main barriers identified (i.e., afford initial purchase price, address other financial priorities). Some alternative marketing strategies to consider are:*
 - Specifically **target households that have passed key barriers/hurdles** such as...
 - Households that purchased a truck/SUV (have tow vehicle)
 - Households that have already set aside an education fund or have a sizeable retirement portfolio (addressed financial obligations)
 - Households that upgraded to a new home or completed a remodeling project (taken care of competing big-ticket purchase)
 - Households that have received a big upswing in assets/income (can more easily afford the purchase price)
 - Continue to **reinforce “the dream”** among those who fit the demographic and lifestyle profile
 - The hope is to remain “top of mind” with prospective boat buyers so that they are mindful and motivated to pursue the purchase of a boat when their circumstances warrant it (i.e., when they have addressed many of the financial barriers)

Detailed Findings

This report is organized around the following questions...

1. What is the level of interest in boat ownership?
2. What does a prospective boat owner look like?
3. What are the main motivations for boating and boat ownership?
4. What barriers and competitors get in the way?
5. What will it take to move prospective boat buyers beyond these barriers?
6. What is the entry point for boat ownership?

Question #1

What is the Level of Interest in
Boat Ownership?

Customer Adoption Cycle

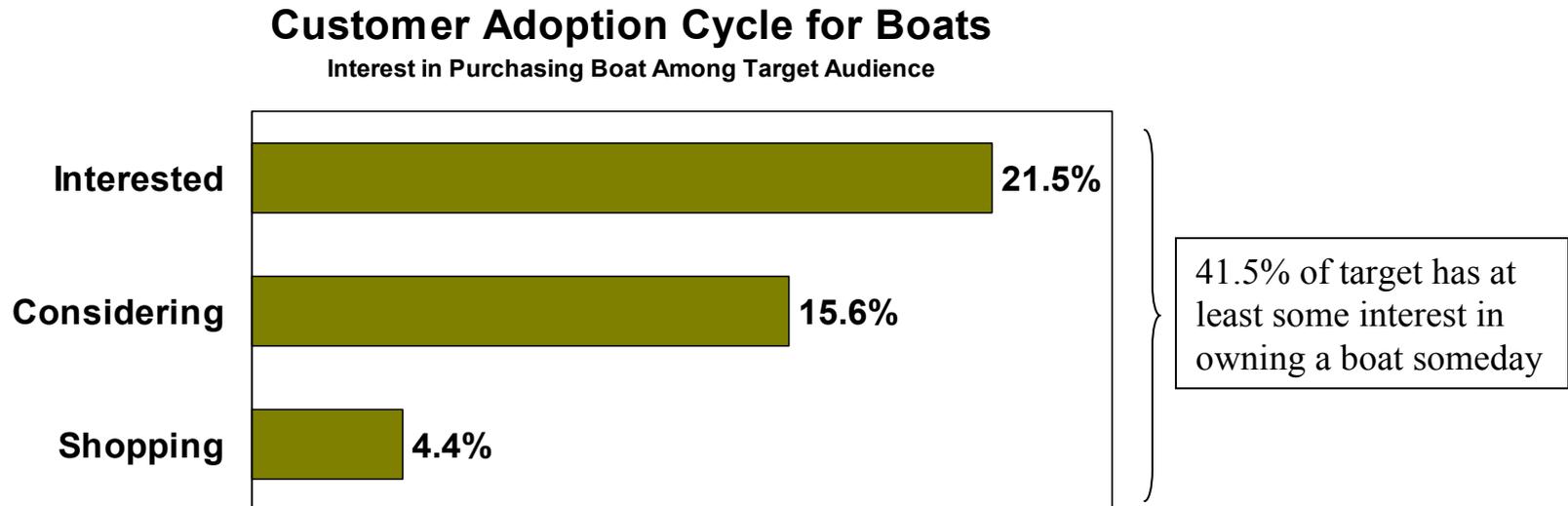
Approach

- ❖ For big-ticket/considered purchase products, consumers often go through “stages” of consideration referred to as the customer adoption cycle or simply the “buying funnel”
- ❖ To quantify the level of interest in boat ownership, respondents were asked to indicate which stage pertains to them by selecting one of the following four choices...
 - **No interest:** I am not planning to ever purchase item
 - **Interest:** I plan to purchase item someday but not within next 3 years
 - **Considering:** I am seriously considering purchasing item within next 3 years but am not actively shopping at present
 - **Shopping:** I am actively shopping/researching item and plan to purchase within the next 12 months
- ❖ This information was gathered for other recreational products as well to mask the item of interest (boats) and to provide a frame of reference for analysis purposes

Stage in Customer Adoption Cycle

Interest in Purchasing Boat Among Target Consumers

- ❖ Among the total target audience sampled (age 30-60, married, income of \$50K+, reside in select geographic areas), just over 4 in 10 are interested in purchasing a boat in the future
 - *Note that this figure includes both non boat owners and some current/prior boat owners*



Base: 474 current, prior or prospective boat owners representing the target market.

Stage in Customer Adoption Cycle

Interest in Purchasing Boat vs. Other Recreational Items

- ❖ The relative *total* interest in owning a boat is comparable to that of golf clubs (41.5% vs. 42.6%) and much higher than that of motorcycles, ATVs and snow-related equipment
- ❖ Note that the Go RVing campaign appears to have successfully brought people into the top end of the funnel (30.8% interested vs. 21.5% for boats).

**Customer Adoption Cycle for Various Recreational Products
Among Total Target Audience**

<u>Interest in Purchasing a...</u>	<u>Boat</u>	<u>Camper/ RV</u>	<u>Tent</u>	<u>Golf Clubs</u>	<u>Snow-mobile</u>	<u>Snow Skis</u>	<u>Motor-cycle</u>	<u>ATV</u>
Interested	21.5%	30.8%	20.5%	18.8%	5.9%	10.5%	11.8%	12.7%
Considering	15.6%	12.0%	13.3%	15.6%	1.5%	7.6%	7.4%	5.5%
<u>Shopping</u>	<u>4.4%</u>	<u>3.6%</u>	<u>5.1%</u>	<u>8.2%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>3.6%</u>	<u>2.7%</u>
Total Interest	41.5%	46.4%	38.9%	42.6%	8.7%	19.6%	22.8%	20.9%
Not Interested	58.5%	53.6%	61.1%	57.4%	91.3%	80.4%	77.2%	79.1%

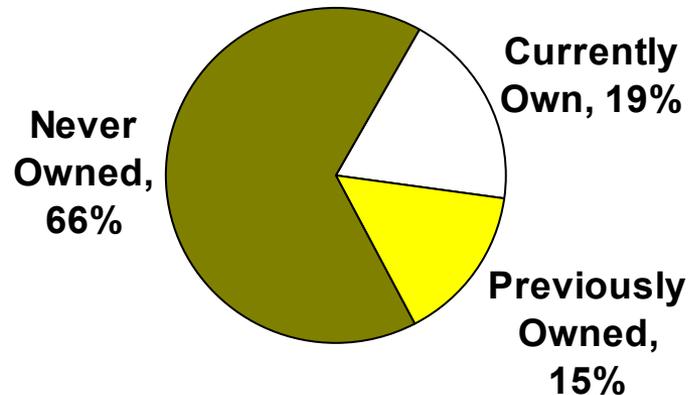
Base: 474 current, prior or prospective boat owners representing the target market.

Boat Ownership History

Among the Total Target Audience Sampled

- ❖ Among total respondents, two-thirds have never owned a boat before (66%).
 - *Since the ultimate goal of the grow boating initiative is to increase boat penetration, it is important to distinguish between current/prior boat owners vs. those who have never owned a boat in our analysis.*

Boat Ownership History Among Target Respondents



Note: Current ownership of boats among the target is higher than the US average because the sample was derived from households that matched the criteria of those most likely to become first time boat owners (index of 100+).

Base: 474 current, prior or prospective boat owners representing the target market.

Stage in Customer Adoption Cycle

By Boat Ownership History

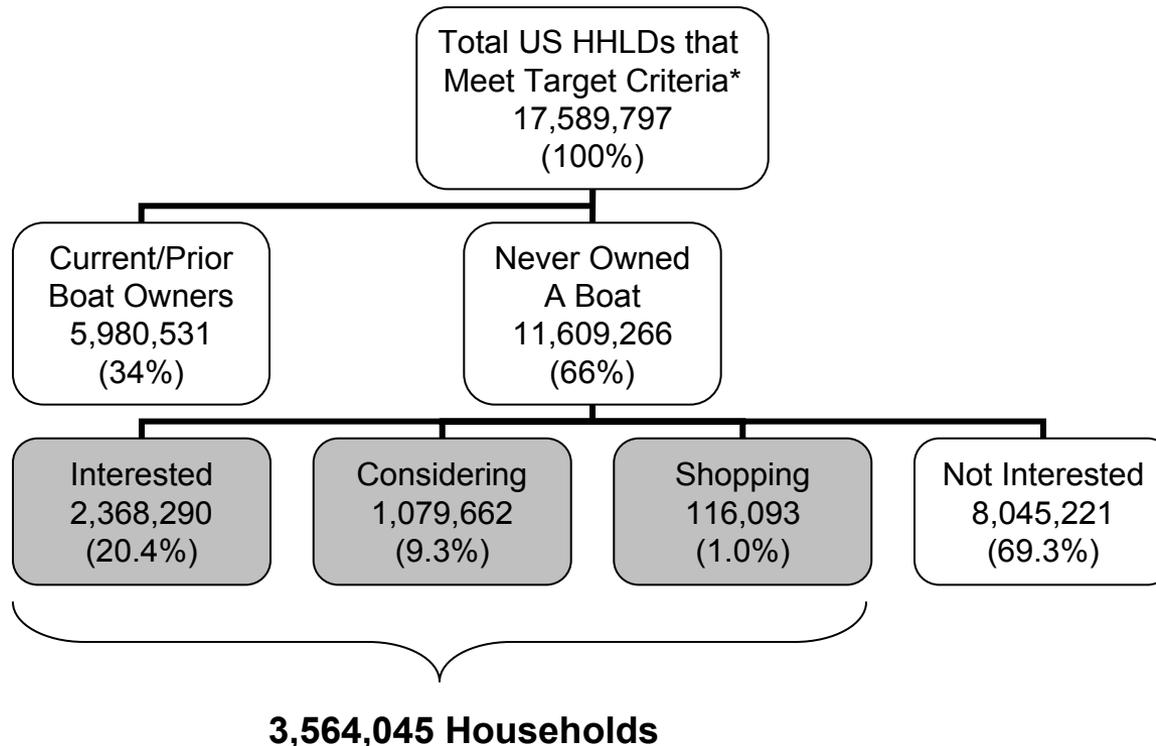
- ❖ Among those who have never owned a boat before (66% of the total sample), just under one-third (31%) have at least some interest in ever owning one
 - *Conversely, two-thirds (69%) have rejected boat ownership outright*

<u>Interest in Purchasing A Boat</u>	<u>Never Owned A Boat</u>	<u>Current/Prior Boat Owner</u>	<u>Total</u>
Interested	20.4%	23.6%	21.5%
Considering	9.3%	27.9%	15.6%
<u>Shopping</u>	<u>1.0%</u>	<u>11.2%</u>	<u>4.4%</u>
Total Interest	30.7%	62.7%	41.5%
Not Interested	69.3%	37.3%	58.5%
Base:	313	161	474

Size of the Grow Boating Opportunity

Estimated Number of Households by Interest Level

- ❖ There are approximately 3.5 million US households that meet the target criteria and are currently “in the funnel” towards boat ownership (would like to own a boat someday)



*Note: The target criteria for this study was defined as married households, age 30-60, with incomes of \$50K+, who reside in one of 28 geographic segments that have a boat ownership index of 100+.

Reasons for No Interest in Owning Boat

Main Mentions

- ❖ Those who never owned a boat and have no interest in ever purchasing one were asked on an open-ended basis to describe the main reasons for their lack of interest
- ❖ The primary reason given pertained to a lack of interest in water-based activities (35% mentioning). Financial reasons were also commonly mentioned (26%).

<u>Main Reason for NO Interest in Ever Purchasing a Boat</u>	<u>Never Owned Boat & Not Interested</u>
No Interest (don't enjoy water/boating, can't swim, etc.)	35%
Too Expensive	26%
Too Much Maintenance/Upkeep	14%
Lack of Access to Water	12%
Too Little Time to Enjoy It	11%
Storage (cost, availability)	7%
Friends/Relatives Already Own Boat	6%
Too Difficult (loading/unloading, how to operate boat)	4%
Base: Those with 1+ Comment	205

Note: totals add to more than 100% due to multiple mentions.

Reasons for No Interest in Owning Boat

Verbatims: No Interest in Boating/Water Activities

- ❖ Fear of the water or disinterest in water/boating related activities are a key reason for why some have no desire to own a boat. Representative comments...

- *I don't enjoy boating, except for fishing, and do not fish enough to warrant the expense*
- *I don't like the water*
- *I don't like boating activities*
- *I am not interested in skiing or fishing*
- *I have no interest in boating*
- *I do not like any boat related activities.*
- *Not a swimmer or boating enthusiast*
- *I can't swim that good and I just hadn't given much thought to it*
- *Cant swim*
- *Spouse can not swim*
- *Don't know how to swim yet. Will learn someday, then consider boat.*
- *Wife does not like the water*
- *I am scared that I am going to drown*
- *Can not swim, do not like being on the water.*
- *Seasickness and not interested in the hassle of owning and caring for a boat*
- *More of a landlubber and besides, the wife gets seasick*
- *Do not like being on a boat in all that water*
- *I have no interest!!!! They are a waste of money and a waste of gasoline.*

Reasons for No Interest in Owning Boat

Verbatims: Financial Concerns

- ❖ The perceived cost of a boat is another key reason for a lack of interest in boat ownership - particularly when time or usage constraints are factored in. Representative comments...
 - *Too expensive to own*
 - *Too expensive, too much maintenance*
 - *The maintenance, the expense and the lack of time to enjoy it*
 - *Expensive hobby*
 - *Too much expense and upkeep, plus no where to store it*
 - *Too expensive for the amount of time I would be able to use it*
 - *Expensive and time consuming, better things to do*
 - *Cannot afford the expense of a boat*
 - *Cannot afford to purchase a boat on my salary*
 - *Cost, infrequency of use*
 - *Too much of an expense for the amount of time I would use it. I have some, owned by others, available for my use*
 - *Best day in your life is the day you get rid of your boat...Too much expense with not enough time to use it*
 - *Do not have time to enjoy one plus the expense to use ratio is not within my range*
 - *I have no interest in the upkeep and initial cost of a boat that I would not use all that much*
 - *Costly, time consuming*
 - *Too expensive and a lot of work!*

Question #2

What Does a Prospective Boat
Owner Look Like?

Demographic Characteristics

Interpreting the Data

In the subsequent pages, the demographic characteristics of those interested in owning a boat someday is depicted

- ❖ A few things to note regarding this data...
 - Only those who have NEVER owned a boat before are included
 - The PERCENTAGE of households interested in a boat includes those who are interested, considering or actively shopping for a boat
 - The INDEX represents the proportion of households interested in owning a boat within a demographic segment divided by the proportion of sample households that satisfy the demographic characteristic overall
 - *For example, if 60% of a demographic segment was interested in owning a boat and this segment represented 40% of households, this would result in an index of 150 (60%/40% x 100).*
- ❖ In some cases, the percent of households interested in owning a boat by demographic segment is directly affected by the sample definition.
 - For example, since the target sample was households with incomes of \$50K+, only a very small percentage of households interested in a boat earned less than \$50K in this study
 - In these cases, one must be careful in interpreting the relative percentages of respondents outside the target sample range. These situations will be footnoted throughout this report.
- ❖ Finally, the sample size sometimes varies slightly from chart to chart depending on the actual number of respondents who completed a particular question

Demographic Characteristics

Gender

- ❖ Among those who have never owned a boat before, men are slightly more likely than women to be interested in owning a boat someday (index of 109 vs. 87)

<u>Gender</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
Male	65.6%	109
<u>Female</u>	<u>34.4%</u>	<u>87</u>
Total	100.0%	100

Base: Never Owned Boat 96

*Note: the survey was to be completed by the “individual in the household who would be most responsible for any big-ticket recreational product purchase decisions”. Because of this, the sample distribution is naturally skewed towards men.

Demographic Characteristics

Age

- ❖ Interest in purchasing a boat *for the first time* declines as one ages within the target age group (age 30-60)
 - Those under age 45 had a higher propensity (index) to be interested in owning a boat someday than those above this age level

<u>Age Range</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
Under 35*	17.9%	147
35-44	44.2%	121
45-54	32.6%	93
<u>55-64</u>	<u>5.3%</u>	<u>33</u>
Total	100.0%	100
Base: Never Owned Boat	95	

*Note: the sample was geared towards individuals assumed to be age 30-60. For this reason, the percentage of respondents under 35 is understated.

Demographic Characteristics

Presence of Children

- ❖ Households with kids are more inclined to be interested in owning a boat than those without children present (index of 113 vs. 79, respectively)

<u>Have Kids</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
Yes	69.8%	113
<u>No*</u>	<u>30.2%</u>	<u>79</u>
Total	100.0%	100

Base: Never Owned Boat **96**

*Note: since the sample was geared towards married couples, the percentage of households without children is understated.

Demographic Characteristics

Age of Children

- ❖ Perhaps related to respondents age, interest in owning a boat for the first time is highest among those with younger aged children
 - *However, from prior focus groups, it was discovered that the timing of actual purchase of a boat often occurs when kids are older and more self sufficient.*

<u>Have Children</u>	<u>Interested</u>	
	<u>% of Target HHLDS</u>	<u>Index</u>
<i>Have Any Child/Children</i>	69.8%	113
•At least one child under 2*	16.7%	163
•At least one child 2-5	28.1%	138
•At least one child 6-12	34.4%	114
•At least one child 13-18	26.0%	98
<i>Base: Never Owned Boat</i>	96	

*Caution: small sample size of households with children under 2 (32).

Demographic Characteristics

Household Income

- ❖ Within the target income range used for this study (\$50K+), interest in boat ownership increases slightly at the \$75K and higher level (index of 113).

<u>Household Income*</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
Under \$75K	38.7%	85
\$75-\$99K	29.0%	113
<u>\$100K & Over</u>	<u>32.3%</u>	<u>113</u>
Total	100.0%	100
<i>Base: Never Owned Boat</i>	93	

*Note: since the sample was geared towards those with incomes of \$50K+, the percentage of households with incomes at lower levels (below \$50K) is largely understated. Further, the index of those interested in owning a boat for the Under \$75K group would likely be much smaller if these lower income households were included more heavily in the sample.

Demographic Characteristics

Education Attainment

- ❖ The level of college education achieved appears to have little bearing on the amount of interest in boat ownership (indices similar for those with “some college” vs. those with undergrad or grad degrees)
 - *However, those without at least some college are less inclined to be interested in owning a boat*

<u>Education</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
High School/Trade School	11.5%	73
Some College	25.0%	117
Under Grad Degree	42.7%	104
Advanced Degree	<u>20.8%</u>	<u>96</u>
Total	100.0%	100
<i>Base: Never Owned Boat</i>	96	

*Note: since the sample was geared towards households with incomes of \$50K+, the percentage of households with high school or trade school education is likely understated.

Demographic Characteristics

Ethnicity

- ❖ The sample size of non-Caucasians was very limited – presumably because this related to some other target sample specifications (income, geographic location)
- ❖ However, based on this limited sample, it appears that ethnicity has little bearing on interest in boat ownership – provided that the other demographic requirements are satisfied (age, income, married, geographic location)

<u>Ethnicity</u>	<u>Interested</u>	
	<u>% of Target HHLDs</u>	<u>Index</u>
Caucasian	88.4%	99
<u>Other*</u>	<u>11.6%</u>	<u>105</u>
Total	100.0%	100
<i>Base: Never Owned Boat</i>	95	

* Caution: small sample size of other ethnic groups (34 total). Because of limited sample size, all minority groups were aggregated into “other”.

Lifestyle Characteristics

Interpreting the Data

The level of respondent participation in various recreational activities is depicted on the next several pages

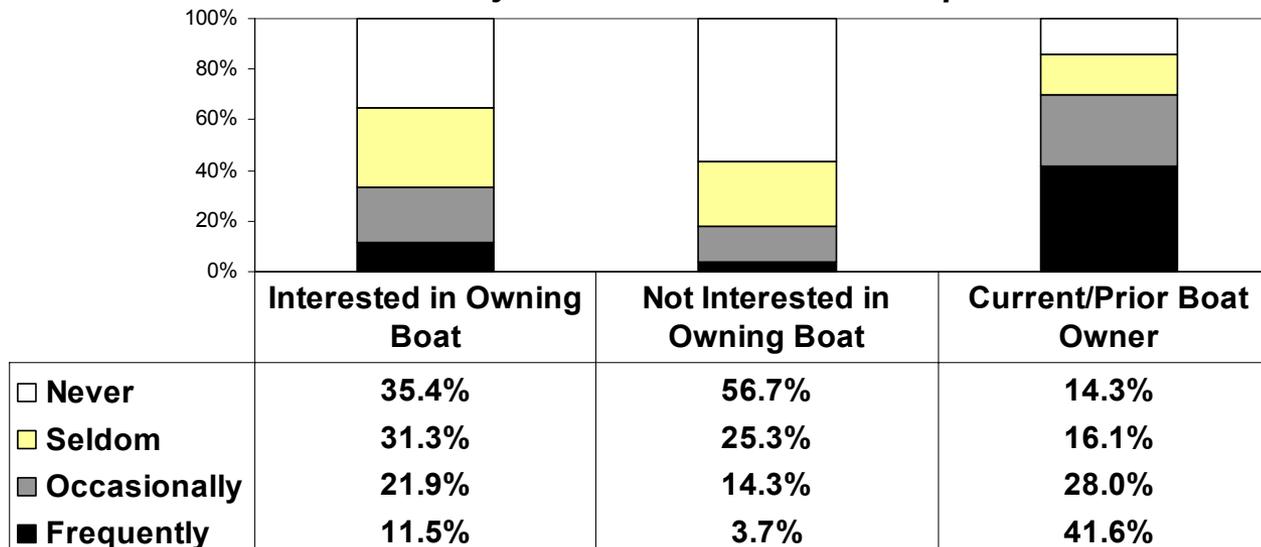
- ❖ A few things to note regarding this data...
 - Participation information is provided for three groups of respondents for comparison purposes:
 - Those who have NEVER owned a boat but are INTERESTED in owning one someday
 - Those who have NEVER owned a boat but are NOT INTERESTED in ever owning one
 - Those who PREVIOUSLY or CURRENTLY OWN a boat
 - For each activity, respondents were asked to indicate their level of participation DURING THE PAST 12 MONTHS using the following scale:
 - Frequently (5+ times)
 - Occasionally (2-4 times)
 - Seldom (1 time)
 - Never

Lifestyle Characteristics

Participation in Boating or Sailing

- ❖ Approximately one-third (33%) of those interested in owning a boat someday are occasionally or frequently participating in the sport at present. This compares to only 18% among those who are not interested in ever owning a boat.

Participation in Boating or Sailing
By Interest in Boat Ownership



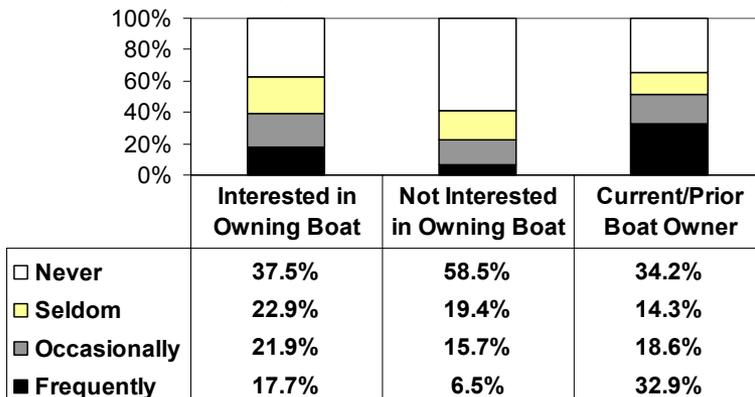
Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Lifestyle Characteristics

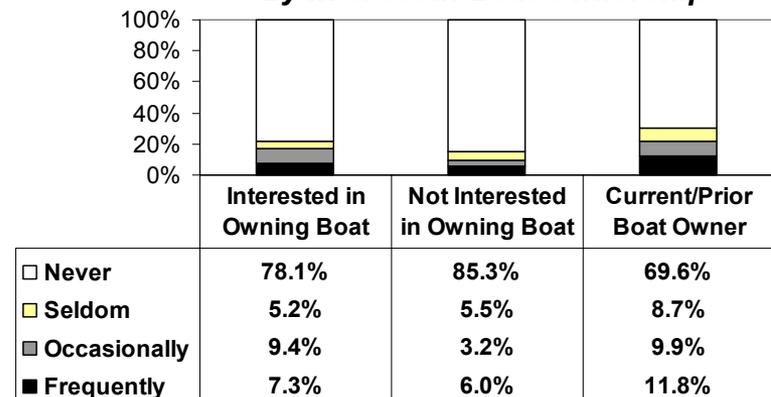
Participation in Fishing & Hunting

- ❖ As will be noted later, the opportunity to go fishing is a key benefit of boat ownership. Therefore, it is no surprise that participation in fishing is much higher among those interested in owning a boat someday (vs. those not interested).

Participation in Fishing
By Interest in Boat Ownership



Participation in Hunting
By Interest in Boat Ownership



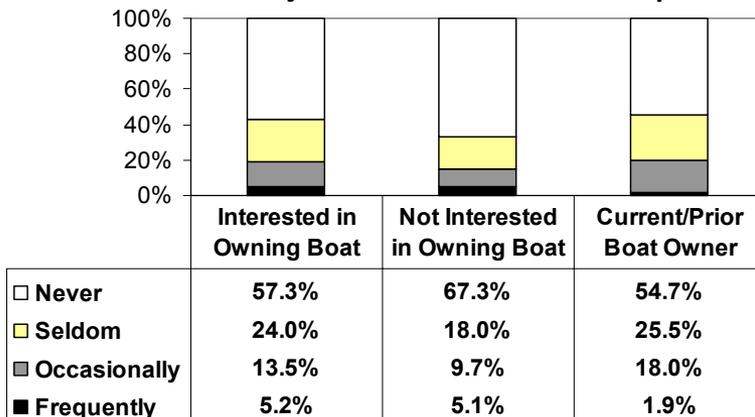
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Lifestyle Characteristics

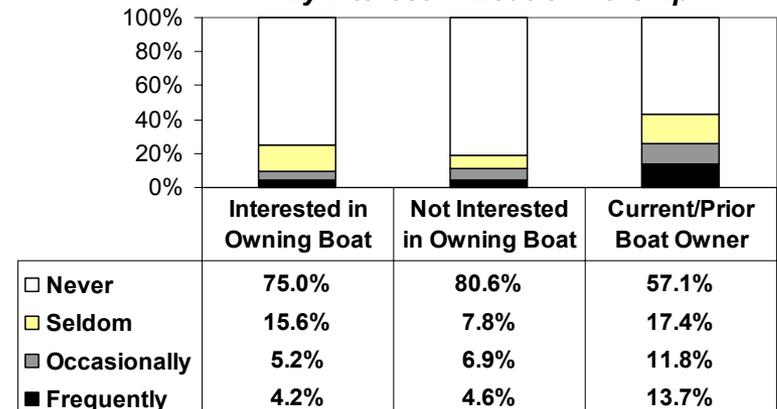
Participation in Camping

- ❖ There is little difference in camping participation – either by tent or by RV/camper – between those interested in owning a boat someday vs. those who are not interested.
- ❖ However, current or prior boat owners are much more inclined than non owners to go camping in a RV or camper.
 - Perhaps these are complementary activities for some boat owners

Participation in Camping (Tent)
By Interest in Boat Ownership



Participation in Camping (RV/Camper)
By Interest in Boat Ownership



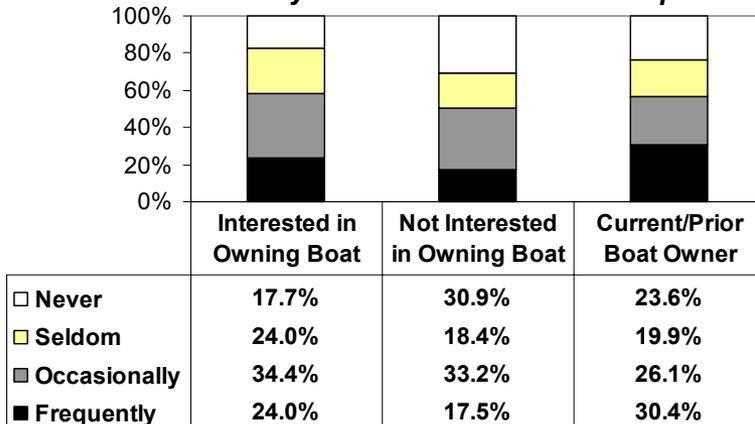
Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Lifestyle Characteristics

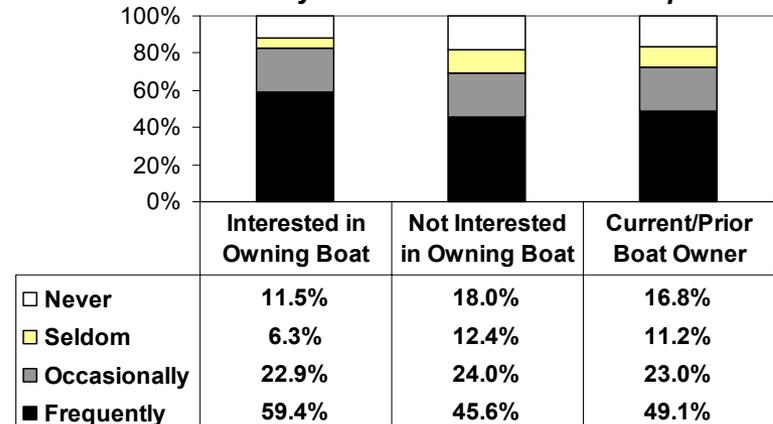
Participation in Swimming

- ❖ As expected, those interested in owning a boat someday are slightly more inclined to engage in water based activities such as swimming at a beach or in a swimming pool in comparison to those who are not interested in ever owning a boat

Participation in Swimming (at Beach)
By Interest in Boat Ownership



Participation in Swimming (at Pool)
By Interest in Boat Ownership



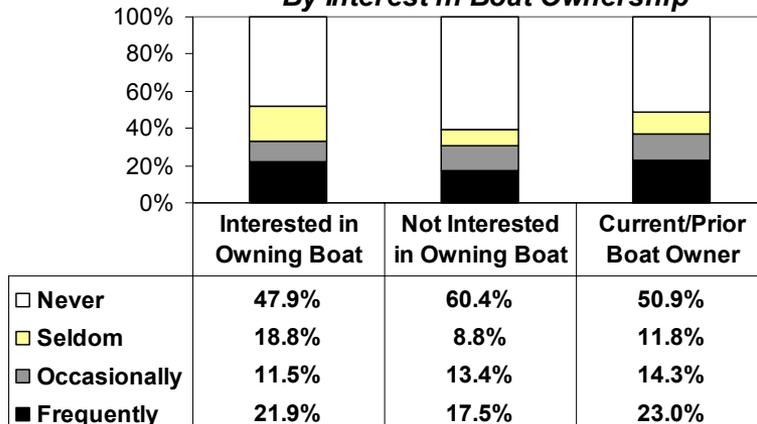
Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Lifestyle Characteristics

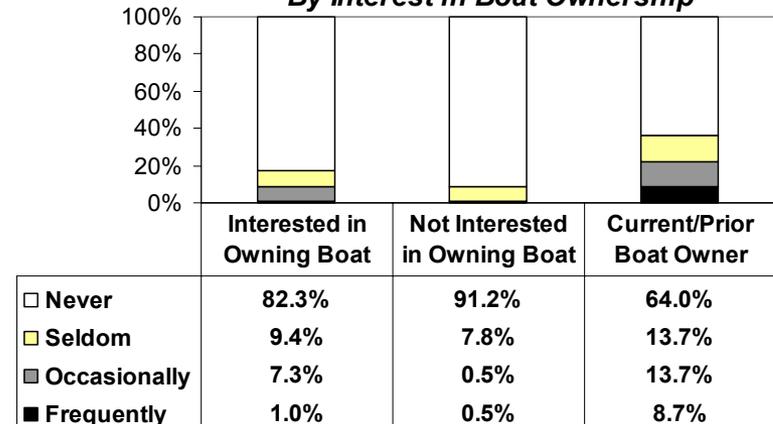
Participation in Golfing & Waterskiing

- ❖ Those who own a boat are about equally active in golf as “interested non owners” and more active in the sport than those not interested in ever owning a boat
 - *This suggests that boating and golf are not necessarily competing activities but rather alternative forms of engaging in outdoor or active recreation*

Participation in Golfing
By Interest in Boat Ownership



Participation in Waterskiing
By Interest in Boat Ownership



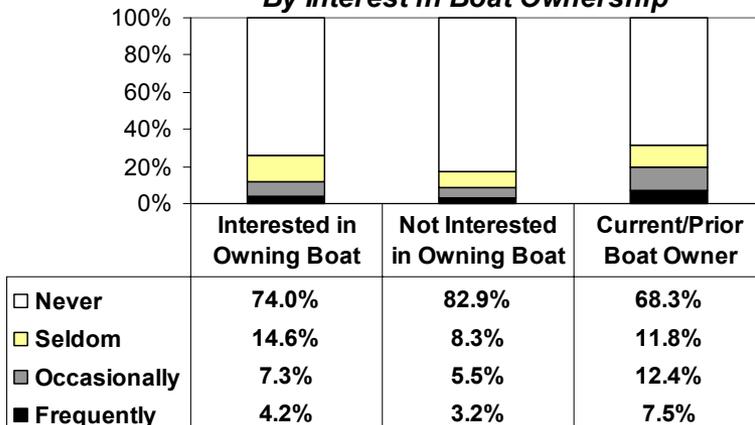
Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Lifestyle Characteristics

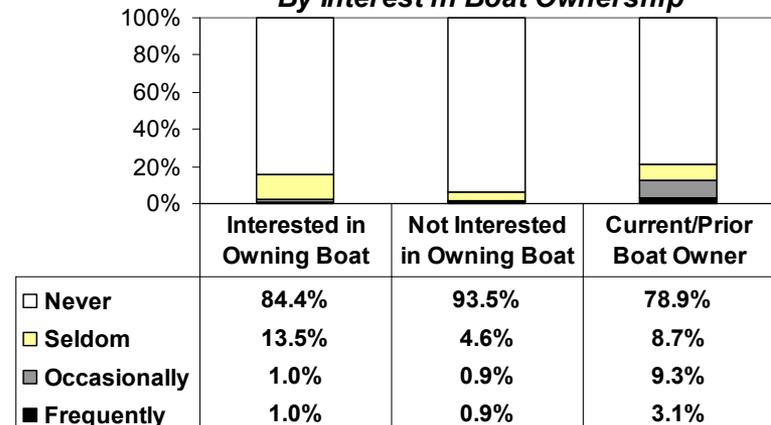
Participation in Snow Sports

- ❖ Though participation in snow sports is low in general, current or prior boat owners are more likely to participate in these activities
 - *As with golf, the relative boat owner participation in these activities may stem from the fact that boaters tend to engage in a variety of outdoor recreational pursuits*

Participation in Snow Skiing
By Interest in Boat Ownership



Participation in Snowmobiling
By Interest in Boat Ownership

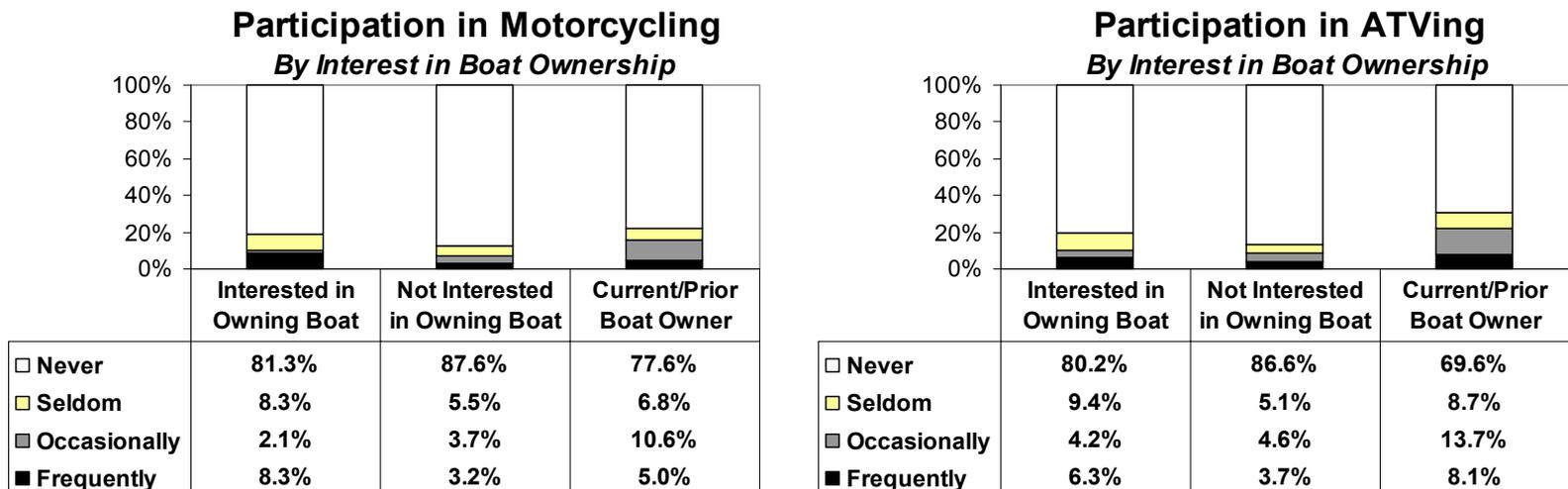


Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Lifestyle Characteristics

Participation in Motorcycling/ATVing

- ❖ The vast majority of boat owners and non boat owners alike have not participated in either motorcycling or ATV riding during the past year



Base: Never owned boat but interested (96), never owned boat and NOT interested (217), current or prior boat owners (161)

Product Ownership

Outdoor Recreational Products

- ❖ Current or previous boat owners are considerably more likely to have owned a wide variety of other outdoor recreational products in comparison to non boat owners in general.

Currently, or Previously Own...	Never Owned Boat		Current or Prior Boat Owner	Total Target Households
	Interested in Boat	Not Interested in Boat		
Camper or RV	18%	17%	45%	27%
Tent	79%	66%	86%	76%
Golf Clubs	66%	51%	67%	59%
Snowmobile	10%	4%	21%	11%
Snow Skis	39%	26%	44%	35%
Motorcycle	32%	22%	53%	35%
ATV	12%	8%	34%	17%
Base:	96	217	161	474

Initial Exposure to Boating

Age

- ❖ Those who have owned a boat, or are interested in purchasing one someday, got started in boating at age 10 on average
- ❖ Those not interested in owning a boat, on the other hand, had their first experience with boating a little later (age 12)

Approximately How Old Were You When you First Went Boating in a Motorboat, Sailboat or Jet Ski (that you can remember)?	<u>Never Owned a Boat</u>		<u>Current/ Prior Boat Owner</u>	<u>Total Target Households</u>
	<u>Interested</u>	<u>Not Interested</u>		
Median Age:	10	12	10	11
Base:	96	208	161	465

Initial Exposure to Boating

Responsible Person

- ❖ Just under half of respondents first got exposed to boating by their parents. Approximately one-quarter got introduced to the sport by a friend.

<u>And Who Took You Boating at That Time? (i.e., who was in charge of the boat?)</u>	<u>Never Owned a Boat</u>		<u>Current/ Prior Boat Owner</u>	<u>Total Target Households</u>
	<u>Interested</u>	<u>Not Interested</u>		
Parents	43%	35%	44%	40%
A Friend	24%	25%	19%	23%
Other Relative	14%	23%	12%	17%
Parent of a Friend	11%	9%	12%	10%
Grandparents	6%	5%	7%	6%
Myself	1%	2%	3%	2%
Spouse	1%	1%	3%	2%
Total	100%	100%	100%	100%
Base:	96	208	161	465

Question #3

What are the Main Motivations for Boating & Boat Ownership?

Benefits of Boating

Main Mentions

- ❖ When asked on an open-ended basis to describe the primary benefits of boating, a large percentage of respondents referred to building relationships, going fishing, reducing stress and simply enjoying the outdoors.

<u>Benefits of Boating (Main Mentions)</u>	<u>Interested But Never Owned A Boat</u>	<u>Current/ Prior Boat Owner</u>	<u>Total</u>
Family fun, family recreation, build relationships, time together	34%	38%	36%
Activity: Fishing	38%	32%	34%
Relaxation, stress relief, getting away from it all, peace & quiet	38%	29%	32%
Enjoy the water, being outdoors, seeing nature	31%	29%	30%
Activity: Water sports (skiing, tubing, wakeboarding)	26%	18%	21%
General: Enjoy boating, fun, recreation (not specific)	19%	19%	19%
Be with friends, fun with friends, meet other people, socialize	12%	11%	12%
<i>Base: Those with 1+ Comment</i>	90	152	242

Note: totals add to more than 100% due to multiple mentions.

Benefits of Boating

Verbatims: Time Together with Family

For many, time together as a family is the primary benefit of boating.

Representative comments...

- *It's fun to be on the water, primarily fishing. It's a fun family activity.*
- *It can be a family activity. A way to enjoy the outdoors and sun without necessarily requiring athletic abilities.*
- *It seems to be a great activity to bring the parents and the kids together for a period of time out of their busy schedules, as everyone in my family loves the water, boating and tubing or skiing. Its also a great activity to meet and make new friends, as most boaters are friendly people. I find it nice to get away from the hustle and bustle to the open waters to take in the scenery. Just find it very relaxing.*
- *It's an opportunity to spend family time together. Some fish, some relax, and some of us just sit there and read good books!*
- *It's a relaxing time to spend with the family. No interruptions.*
- *It's another way to spend quality time together*
- *I think boating is a fun activity for everyone involved and brings a family closer together. One day my family will own one.*
- *Time together and love the water*
- *It is relaxing and a good way to spend time with family and friends*
- *Being together as a family away from the noise*
- *To go swimming, skiing and to spend time with family*

Benefits of Boating

Verbatims: Fishing

The opportunity to go fishing is considered to be just one of the many benefits of boating. Representative comments...

- *Outdoors, scenery, FISHING, water skiing for the kids*
- *Fishing and fun*
- *To enjoy the water and it's benefits like fishing, waterskiing, swimming, tubing, etc.*
- *To fish!*
- *WE love fishing and being out on the water*
- *Enjoy scenery, fishing, outdoors, time together*
- *To be on the water because it's so beautiful and also to fish*
- *Mainly for fishing. We also use it for fun riding, and spending time with family and friends. 90 percent fishing.*
- *Fishing, family time, and skiing or tubing*
- *The main reason we own a boat is to go fishing*
- *To enjoy the outdoors as a family. Fishing and just being on the water have been some of our best times together*
- *Everyone enjoys the water and all the males really enjoy fishing*

Benefits of Boating

Verbatims: Relaxation/Stress Relief

Several see boating simply as a way to relax and get away from the stresses of everyday life. Representative comments...

- *For pure relaxation and enjoyment, might also go fishing*
- *Relaxing; Getting away from day-to-day stress; Family time;*
- *Peaceful, fun, serene, relaxing, get away from it all*
- *Spend time together in an enjoyable, relaxing atmosphere away from phones, computers, and other distractions*
- *Relaxing and fun; scenic; enjoying the fresh air*
- *It is relaxing and an activity everyone can do. It does not take a lot of physical energy*
- *Relaxation is the most important thing, secondary is fishing*
- *Freedom and relaxation*
- *Peacefulness of being alone on the water*
- *Relaxation...getting away from everything*
- *Stress relief, relaxation, quality time with family and friends, escape*
- *To relax and get away*

Benefits of Boating

Verbatims: Enjoying Nature

Being on the water and enjoying the outdoors seems to be an added benefit for boating. Representative comments...

- *Just for the fun of being on the water, and to learn how to boogie board, etc.*
- *We love to be out on the water. It is a fun, full day event with boat picnic. Good clean fun*
- *To get outdoors on the lakes and rivers*
- *Get away from the everyday grind, go fishing, & enjoy the outdoors*
- *We enjoy the scenery and a viewpoint quite different than usual. Traveling across water is also a uplifting activity*
- *Time together and love the water*
- *To be outdoors. It is fun!*
- *We enjoy the water a great deal. It offers a complete change of pace, relaxation, and calm (weather permitting...)*
- *Enjoy the outdoors as a family and to fish*
- *To be on the water because it's so beautiful and also to fish*
- *Enjoy the nice weather. To get away from home and enjoy the outdoor nature around the lakes and rivers*
- *To enjoy being on the ocean*
- *Being on the water is great*
- *To enjoy the beauty of the river and its wildlife. To spend quality time with my family and for fun and recreation*

Benefits of Boating

Need Segments - Overview

- ❖ Previous work by Fallon/Mercury that was largely confirmed by the RBFF identified five separate need segments based on the core benefits that individuals look for from recreational activities
 - The five segments (Family Bonder, Restless, Self Actualizer, Sportsman and Play hard) differ primarily in the emphasis they place on the boating benefits described on the preceding pages (e.g., relationships vs. stress relief vs. fishing, etc.).
- ❖ In order to use this segmentation scheme for analysis and marketing communication purposes, an approach was needed to efficiently “pigeon hole” consumers into the most appropriate segment
- ❖ To accomplish this, a self-selection process was tested in the present study
 - Respondents were presented with five benefit descriptions – one per need segment – and were asked to pick the one that best describes their interest in boating
 - This process was repeated with a second and a third set of statements reflecting alternative wording choices for each segment
 - Finally, respondents were presented with their three “finalists” and were asked to pick the one statement that most accurately reflects their interest in this activity
- ❖ From this process, the best self-selection approach (i.e., wording) to classify respondents was identified and the relative size of each segment was determined

Benefits of Boating

Need Segments – Relative Size

- ❖ Of the five need segments, “Family Bonder” was the largest accounting for nearly half (44%) of those interested or experienced in boat ownership

Generic Segment Name	Winning Description (Best of the Three Options Tested)	Interested But Never Owned A Boat	Current/Prior Boat Owner	Total
Family Bonder	Boating is a good way to spend quality time with family	50%	39%	44%
Restless	Boating is a good way to relax and unwind	32%	29%	30%
Sportsman	Boating enables me to catch fish and simply enjoy time outdoors	12%	24%	19%
Play Hard	Boating enables me to do challenging physical activities, have fun with my friends, and meet new people	6%	5%	5%
Self Actualizer	Boating enables me to enjoy quality time by myself	0%	3%	2%
Total		100%	100%	100%
<i>Base: Those interested in owning a boat someday and current/prior boat owners</i>		96	160	256

Benefits of Boating

Type of Boat Desired by Need Segment

- ❖ While the *Family Bonder* segment is clearly interested in the versatility of a Fish 'N Ski, the *Restless* segment is more fragmented in its desires
- ❖ Predictably, *Sportsmen* are heavily interested in either an Aluminum Fishing Boat or Fiberglass Bass Boat to enable them to pursue their fishing interests

Type of Boat You Would Likely Purchase/Purchase Next	Family Bonder	Restless	Sportsman	Total*
Fish 'N Ski (Fiberglass)	27%	10%	9%	17%
Cuddy Cabin/Cruiser	15%	12%	6%	13%
Pontoon	9%	10%	3%	8%
Fishing Boat (Aluminum)	2%	5%	27%	7%
PWC (Jet Ski)	3%	10%	0%	6%
Deck Boat	7%	7%	0%	5%
Sail Boat	2%	8%	0%	5%
Bass Boat (Fiberglass)	0%	2%	21%	4%
Runabout/Bow Rider	5%	3%	0%	3%
All Other Types (Combined)	15%	18%	28%	19%
Have No Idea	15%	15%	6%	13%
Total	100%	100%	100%	100%
Base: Those Interested in 1st Boat/ Another Boat	89	61	33	197

*The total includes responses from the "Self Actualizer" and "Play hard" segments which are not reported separately because of limited sample size.

Benefits of Owning Your Own Boat

Main Mentions

- ❖ When asked on an open-ended basis to describe the main benefits of owning your own boat, the overwhelming reason mentioned pertained to the convenience or “freedom” of being able to go whenever you want

<u>Benefits of Owning Your Own Boat (Main Mentions)</u>	<u>Interested But Never Owned A Boat</u>	<u>Current/ Prior Boat Owner</u>	<u>Total</u>
Use WHENEVER I want, convenience, don't depend on others	81%	85%	84%
Go WHEREVER I want	14%	15%	14%
Get the BOAT I want	1%	9%	6%
CHEAPER than renting	8%	5%	6%
<i>Base: Those with 1+ Comment</i>	80	130	210

Note: totals might add to more than 100% due to multiple mentions.

Benefits of Owning Your Own Boat

Verbatims: Freedom to Use Whenever I Want

Representative comments regarding the ability to use the boat whenever you want...

- *You can go out on the water at your convenience and not someone else's*
- *Convenience of having the boat at your disposal whenever you want to go. Joy of having a 'toy'*
- *Freedom to get on the water whenever I want*
- *Not having to wait for friends to invite you out on their boat*
- *It's available when my family has time to be together, or it's available when our older children visit and want to spend time on the lake*
- *I can go when I choose and where I choose*
- *The freedom to enjoy this activity anytime*
- *Freedom to go out whenever you want with little or no advance planning*
- *Freedom to go whenever, wherever, and with whomever I want to*
- *No dependence on anyone else*
- *I have control of when I go out to the lake*
- *It's always available*
- *To be able to go on the lake freely at the time of your choice*
- *Being able to choose where you go and when and with whom*
- *Be able to go on moment notice*

Question #4

What Barriers and Competitors
Get in the Way?

Barriers to Boat Ownership

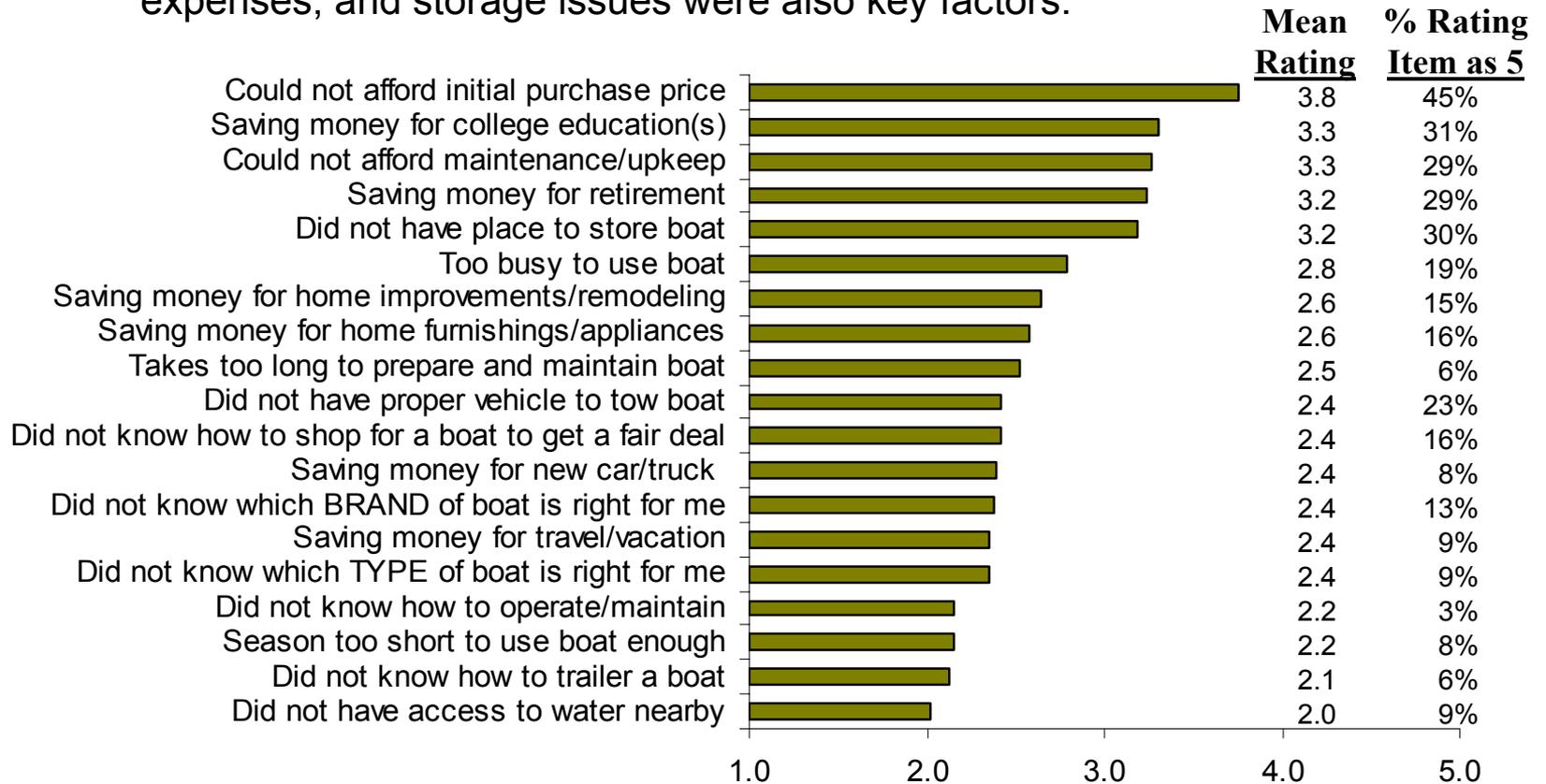
Process Overview

- ❖ From the “Barriers” focus groups study conducted prior to the present research, a comprehensive list of items that inhibit boat ownership was identified
- ❖ This list of items was crafted into a series of “reason” statements for inclusion in this research
- ❖ Individuals who have never owned a boat but were interested in purchasing one someday were shown the list of items and asked to indicate the degree to which each item affected why they have not purchased a boat as of the present time
 - The items were rated on a five-point scale ranging from 1 (not a reason) to 5 (major reason)
- ❖ The graphs on the following pages depict the average rating for each item in order of magnitude
 - The percentage of individuals who rated a given items as a “5” (major reason) is also provided (this is often referred to as the “top box” rating).

Main Barriers to Boat Ownership

Highest Rated Items

- ❖ Being able to afford the initial purchase price is the biggest barrier to boat ownership. Other financial obligations (e.g., college, retirement), maintenance expenses, and storage issues were also key factors.

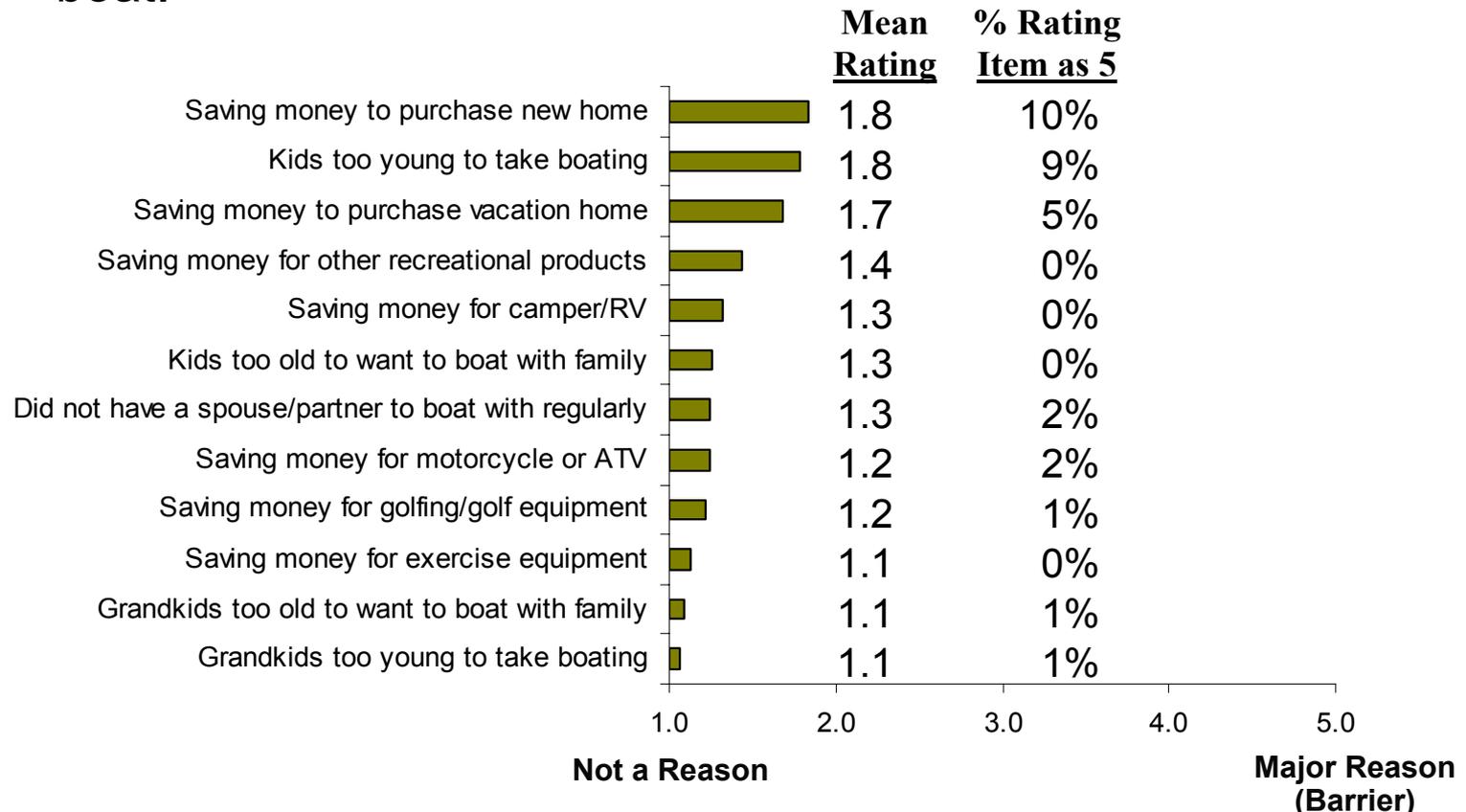


Base: Never owned a boat but am interested (96)

Minor Barriers to Boat Ownership

Lowest Rated Items

- ❖ Saving money to buy other recreational “stuff” is generally NOT a key reason why prospective customers have yet to purchase a boat.



Base: Never owned a boat but am interested (96)

Barriers to Boat Ownership

Hierarchy

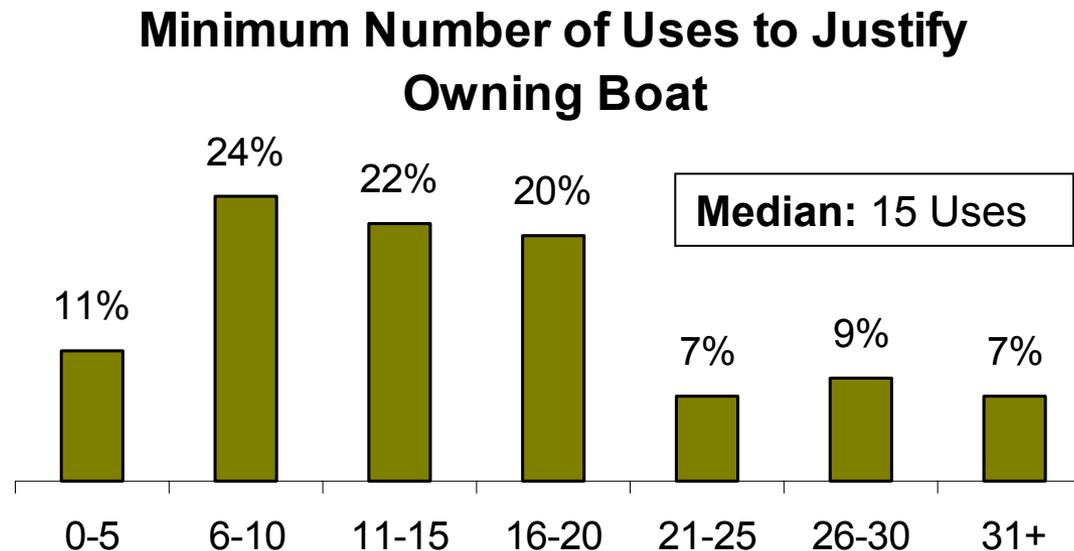
- ❖ From the complete list of “reason” statements, prospective boat buyers were asked to pick their top 3 reasons for why they have not purchased a boat yet
 - The first most important impediment to boat ownership is simply being able to **afford the initial purchase price** (51% selecting within top 3)
 - Following this, **saving money for college education(s)** is the second biggest factor (40% selecting within top 3)
 - Being **too busy to use boat** (26% selecting within top 3), **saving money for retirement** (24%) and being able to **afford the maintenance/upkeep** are the third biggest factors

Item	#1 Reason	#1 or #2 Reason	#1, #2 or #3 Reason
Could not afford initial purchase price	34%	43%	51%
Saving money for college education(s)	17%	35%	40%
Too busy to use boat	12%	20%	26%
Saving money for retirement	3%	12%	24%
Could not afford maintenance/upkeep	1%	15%	20%

Required Uses to Justify Owning Boat

Among Those Interested but Never Owning a Boat

- ❖ When asked to indicate the minimum number of times they would need to use a boat to justify owning one, prospective boat buyers specified 15 uses on average



Base: Never owned a boat but am interested (93).

Competitors to Boating

Process Overview

- ❖ Those interested in purchasing a boat someday were asked how much they anticipated the purchase price and ongoing maintenance cost would be
- ❖ Next, they were told to assume that they purchased a boat for the price specified
- ❖ Following this, they were asked on an open-ended basis what they would have done with this money had they not purchased the boat

Competitors to Boating

The Monetary Frame of Reference

- ❖ The anticipated purchase price for a boat among non boaters was similar to that of those with boat ownership experience
 - *This suggests that prospective boat buyers either have a realistic understanding of the true purchase price of boats OR that they are simply specifying how much they can afford to spend*

Item	Interested but Never Owned A Boat	Current/Prior Boat Owner	Total
Anticipated Purchase Price (Median)	\$15,000	\$14,000	\$15,000
Anticipated Annual Operating Expense (Median)	\$2,000	\$1,100	\$1,500
Percent New/Used	54%/46%	47%/53%	50%/50%

Competitors to Boating

Monetary Trade-Offs

- ❖ Among current or prior boat owners, the money spent on another boat would have otherwise been used for investments or savings in many cases
- ❖ However, among those who have never owned a boat, funding would largely come from either investments/savings, home improvements, college savings or vacation funds
 - *Note that many of these items (particularly college expenses, retirement savings and home improvements) were noted as major barriers earlier in this report suggesting that many prospective boat owners are hesitant to give up these things in order to purchase a boat (i.e., boat is a lower priority)*

<u>Expected Usage of Money if Not Spent on Boat</u>	<u>Interested but Never Owned A Boat</u>	<u>Current/Prior Boat Owner</u>	<u>Total</u>
Invest money, savings account	19%	42%	30%
Home upkeep, maintenance, improvement	21%	17%	19%
Save for vacation/travel	16%	14%	15%
Pay off other bills	9%	11%	10%
Save for college	17%	1%	9%
Save for retirement	12%	5%	9%
New or used car/truck	12%	3%	7%
Miscellaneous other items	13%	16%	15%
Base: Those with 1+ Comments	75	76	151

Note: totals might add to more than 100% due to multiple mentions.

Question #5

What Will it Take to Move
Prospective Boat Buyers
Beyond the Barriers?

Moving Towards Boat Ownership

What it Will Take – Main Mentions

Those who are interested in owning a boat but are not seriously considering one at the moment were asked what would motivate them to “take the next step towards purchasing a boat”

- ❖ For many, improvements in their financial situation – either by earning more money or addressing other more pressing financial obligations – is what will move them along in the purchase consideration process

<u>What will it take to go the next level?</u>	<u>Interested But Never Owned A Boat</u>
Earn more money	33%
Address financial obligations (pay off car, put kids thru college, etc.)	19%
Have more time (retirement, less job responsibilities)	11%
Address environmental factors (access to water, warmer climate, etc.)	10%
Children grow older	8%
Find a good value	6%
Storage available	4%
Miscellaneous other items	18%
Base: Those with 1+ Comment	83

Note: totals add to more than 100% due to multiple mentions.

Moving Towards Boat Ownership

Verbatims: Earning More Money

Not having sufficient money was mentioned most frequently as the main impediment to owning a boat. For some, this reason was simply an excuse (e.g., would need to win the lottery). For others, it was a matter of getting to a more comfortable financial state. Representative comments...

- *More financially secure*
- *More income from job or investments start paying off, and property taxes go considerably down*
- *Money from new business venture coming in in an amount that will allow purchase*
- *Commit to saving funds necessary to purchase a boat of the caliber my wife would like*
- *I would have to have a good sum of money to buy a decent boat and to maintain it (in addition to my everyday living expenses)*
- *An increase in income*
- *More disposable income*
- *Have the money to either make a sizable down payment or to pay cash*
- *Win the lottery (numerous mentions)*
- *Inheriting money or winning lottery*
- *Winning the mega millions jackpot*

Moving Towards Boat Ownership

Verbatims: Address Other Financial Obligations

Several individuals are apparently hesitant to pursue the purchase of a boat until more pressing priorities (such as college expenses) are met. Representative comments...

- *My daughter to graduate from college*
- *Wait until I've paid off my car, and am more financially stable*
- *Kids finish college and get jobs*
- *College is paid for and I have sold my vacation home*
- *Take care of college expenses and other expenses*
- *Children graduate from college*
- *Pay off other debts and save up enough to purchase outright*
- *Get some bills paid off first*
- *Freeing up financial resources*
- *Time mostly. Other higher priority items must be purchased and paid for first*
- *Pay off my present bills & come into some money*
- *Pay off a couple of automobile loans*

Question #6

What is the Entry Point for Boat
Ownership?

Buying the First Boat

Process Overview

- ❖ To better understand how consumers get started as boat owners, two types of data were analyzed from the survey...
 1. **Purchase intentions** – among prospective boat owners, we asked what type of boat they would be most likely to eventually purchase
 2. **Purchase history** – among current or prior boat owners, we asked about their ownership history, starting with their first boat until their last
- ❖ Interestingly, one's intentions vs. historical realities often differ as indicated on the following pages

Purchase Intentions

Type of Boat Desired

- ❖ Among non boat owner prospects who are interested in purchasing a boat someday, the versatile “Fish ‘N Ski” was the most popular product type of interest

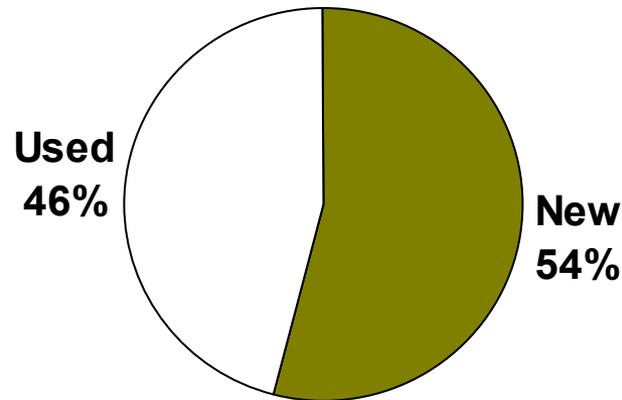
Which of the Following Best Describes the Type of Boat You Would Be Most Likely to Purchase?	Percent
Fish ‘N Ski (Fiberglass)	19%
Cuddy Cabin/Cruiser	13%
PWC (Jet Ski)	7%
Bass/Fishing Boat (Aluminum)	5%
Pontoon	5%
Canoe/Kayak	5%
Runabout/Bow Rider	3%
All Other Types (Combined)	26%
Have No Idea	17%
Total	100%
<i>Base: Never Owned Boat but Interested</i>	96

Purchase Intentions

New vs. Used

- ❖ Approximately half (54%) of prospective boat owners *intend* to purchase their first boat *new*

Anticipated Transaction Type for
1st Boat



Base: 95 target households who have never owned a boat but are interested in purchasing one someday.

Actual Purchase History

Age When Purchasing Boat(s)

- ❖ Those who have actually owned one or more boats were asked to provide details regarding each boat purchased
- ❖ On average, respondents purchased their first boat at the age of twenty-seven
 - *Notice that there is a considerable lag between the timing of the first boat vs. the second (7 years). This may be due to either financial concerns, life events (e.g., having a child) or some other factors.*

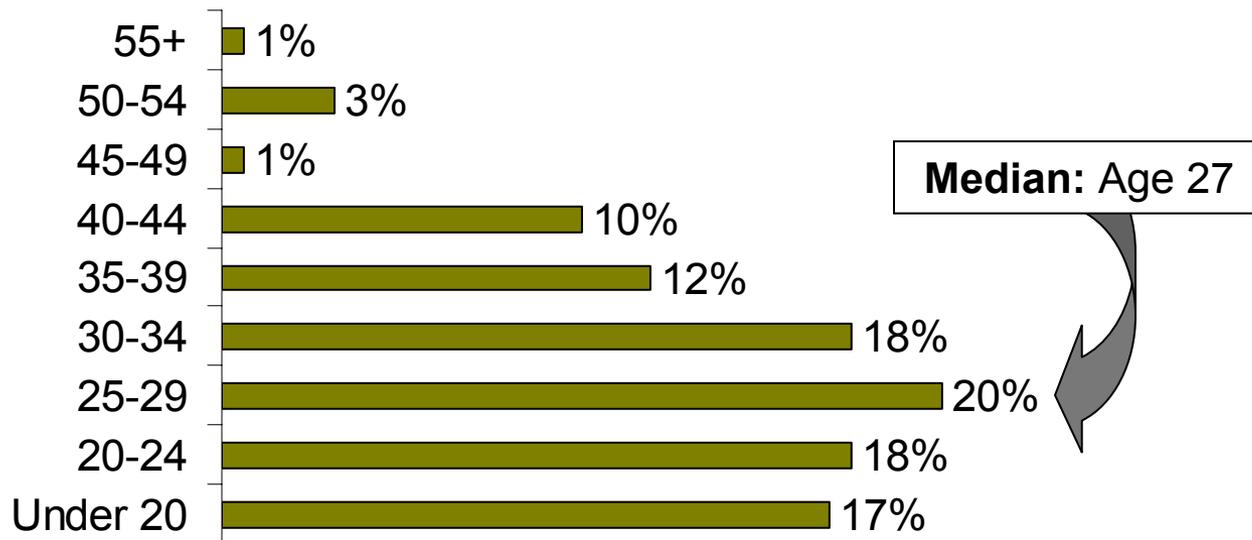
Your age at time of purchase...	1 st Boat	2 nd Boat	3 rd Boat
Median Age	27	34	37
<i>Base: Current/Prior Boat Owners with 1-3 boats</i>	145	93	48

Actual Purchase History

Age Range for 1st Boat Purchase

- ❖ Ninety-five percent of 1st boats are purchased by individuals under the age of 45

Age When Purchasing 1st Boat



Base: 157 current or prior boat owners.

Actual Purchase History

Type of Boat(s) Purchased

- ❖ Runabouts were the most common “starter” boat among current or prior boat owners (17%). Interestingly, this type was only rarely mentioned (3%) among *prospective first time buyers* as the type they would be most likely to purchase (see page 71).
 - *This difference is perhaps due to either financial realities (first time boat owners would prefer a Cruiser but can only afford a Runabout) or confusion regarding boat type terminology (e.g., Cruiser = boat you cruise around in).*

Type of Boat...	1 st Boat	2 nd Boat	3 rd Boat
Runabout/Bow Rider	17%	13%	11%
Bass/Fishing Boat (Aluminum)	13%	9%	9%
Fish 'N Ski (Fiberglass)	13%	14%	12%
Bass Boat (Fiberglass)	7%	9%	7%
Other Freshwater Fishing (Fiberglass)	4%	8%	14%
Sailboat	13%	11%	5%
All Other Types (Combined)	33%	36%	42%
Base: Current/Prior Boat Owners with 1-3 boats	158	103	57

Actual Purchase History

Boat Length

- ❖ The average first boat length is 16' and the size gradually increases with successive boats

Length of Boat...	1 st Boat	2 nd Boat	3 rd Boat
Median Feet	16'	17'	18'
<i>Base: Current/Prior Boat Owners with 1-3 boats</i>	157	103	57

Actual Purchase History

New vs. Used

- ❖ Only one-third (33%) of current or prior boat owners purchased their first boat *new*
 - As with boat type, this differs from the intentions of *prospective first time boat buyers* who had a much higher interest in purchasing a boat “new” (54% , see page 72). This is perhaps due to affordability issues as actual 1st time boat buyers discover the real purchase price for new boats and then alter their plans (rather than their budgets) accordingly.

How Purchased...	1 st Boat	2 nd Boat	3 rd Boat
% New	33%	37%	46%
% Used	67%	67%	54%
Total	100%	100%	100%
Base: Current/Prior Boat Owners with 1-3 boats	157	103	57

New vs. Used Tendency

Going from 1st to 2nd Boat

- ❖ Those who start out “used” are considerably more likely to stay with a pre-owned product (70%)
- ❖ However, those who start out with a new boat are about equally likely to buy “used” with their second purchase (51%)

Probability That Second Boat is Purchased...	If 1 st Boat Purchased:	
	New	Used
New	49%	30%
Used	51%	70%
Total	100%	100%
<i>Base: Owners of at least 2 Boats</i>	33	60

Conclusions & Implications

The present findings have broad implications for the industry's "grow boating" initiative and for marine product manufacturers in general

❖ Regarding the target...

- As noted from previous research, 1st time boat owners tend to be married, have incomes of at least \$50K and participate in active/outdoor recreation. Further, households with kids are more inclined to be interested in owning a boat but also face the added barrier of college education expenses.
- It appears that the best age to target is 20-44 years of age since the vast majority of 1st boats are purchased by individuals within this range

Conclusions & Implications (cont.)

❖ Regarding the message...

- The “**Family Bonder**” segment represents the single largest group of prospective 1st time boat owners (50%). These individuals value “quality time” together above all else. However, enjoying the outdoors and fishing are common additional benefits expressed by many – regardless of segment. Fish ‘N Ski boats and runabouts (because of their high incidence of purchase among 1st time boat buyers) are key products to emphasize with the Family Bonder segment.
- “**Restless**” is the second largest segment accounting for approximately one-third (32%) of potential 1st boat buyers. This group is simply looking for a way to relax and reduce stress and not necessarily engage in a lot of physical activity (fishing, skiing, etc.). For this reason, they are more fragmented in the types of products that would serve their needs. A variety of boats – including pontoons, Fish ‘N Skis and PWCs – are appropriate except those designed exclusively for fishing (aluminum fishing boats, fiberglass bass boats).
- “**Sportsmen**”, the last major segment (12%), view boating as a means to pursue their passion for fishing and the outdoors. Products that are specifically designed for fishing (aluminum fishing boats, bass boats, etc.) are what naturally appeals to this segment.

Conclusions & Implications (cont.)

- ❖ Addressing the barriers...
 - The main barriers to boat ownership are ***being able to afford the initial purchase price, other financial priorities*** (college educations, retirement, home improvements), ***having enough time to use the boat often enough*** and ***maintenance/upkeep expense***. Also, for those without a suitable truck/van/SUV, not having a proper tow vehicle is also an obstacle.
 - While alleviating these types of barriers would be extremely difficult from a marketing standpoint, one strategy would be to specifically target households that have passed these hurdles. For example...
 - Target buyers of trucks/vans/SUVs 3-4 years after purchase (presumably when their loan is paid off)
 - Target households that have already made a major investment in a college education fund
 - Target households after they have upgraded to a new home or have completed a remodeling project (competing use of discretionary funds is “out of the way”)
 - Target households that have received a big upswing in income (salary increase, inheritance)

Conclusions & Implications (cont.)

- ❖ Addressing the barriers (continued)...
 - Another strategy for dealing with the barriers is to simply continue to reinforce “the dream” so that when the circumstances are right, target prospects are mindful of and motivated to purchase their first boat
- ❖ Competitors to boat ownership...
 - There is little evidence to suggest that boating is losing out to other *recreational products* for discretionary consumer spending. When asked what the major barriers are to boat ownership or what they would do with the money if they chose not to spend it on a boat, things like buying an RV, a motorcycle, golfing equipment or exercise equipment receive very little attention from prospective 1st time boat buyers.
 - Instead, consumers tend to view the purchase of a boat as something that must “wait in line” until their financial situation is right and other financial priorities have been satisfied. After this point, the purchase of a boat must still compete with other big ticket purchases such as travel/vacations, home improvements/upgrades, home furnishings or a new car or truck.

Conclusions & Implications (cont.)

❖ Used boats...

- For most consumers, the used boat market is the gateway into the category. This is not necessarily because of a preference for used (about half intend to purchase new) but is more likely due to the financial realities of purchasing a new boat (purchase price).
- Unfortunately, a high proportion of those who start out with a used boat stick with a used product on their subsequent purchase (70%).
- At the individual manufacturer level, some possible ways to combat this include...
 - Introducing new lower priced product in 16'-17' lengths but without the frills of standard models. Also, consider adding or emphasizing special dealer support services (boater instruction classes, free maintenance/check ups) that are not available on used purchases that may provide peace of mind to inexperienced boaters.
 - Targeting used boat buyers of the same brand or type of boat who might be interested in an “upgrade”. The timing of communications should be approximately 5-7 years after purchase since this is when the second boat acquisition tends to occur.