

DISCOVER  
BOATING™



RECREATIONAL  
BOATING & FISHING  
FOUNDATION



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***Understanding the Challenges and  
Identifying Opportunities to Enhance  
the Boat Ownership Experience***

**Industry Webinar**

**March 9, 2021**

The **Right**  
Approach to  
Business Decisions

# My Story...

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Launched LBM 2000



Research for Boating  
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# About the Study...

- Goal: Identify the challenges and frustrations with boat shopping, purchase and ownership experience.
- Two parts: Qualitative and Quantitative
- 653 Recent Boat Buyers (2020-2021)
  - Mix of First Time, Repeat, New and Used purchasers
  - State Boater Registrations and LBM's Boater Panel

# Key Takeaways

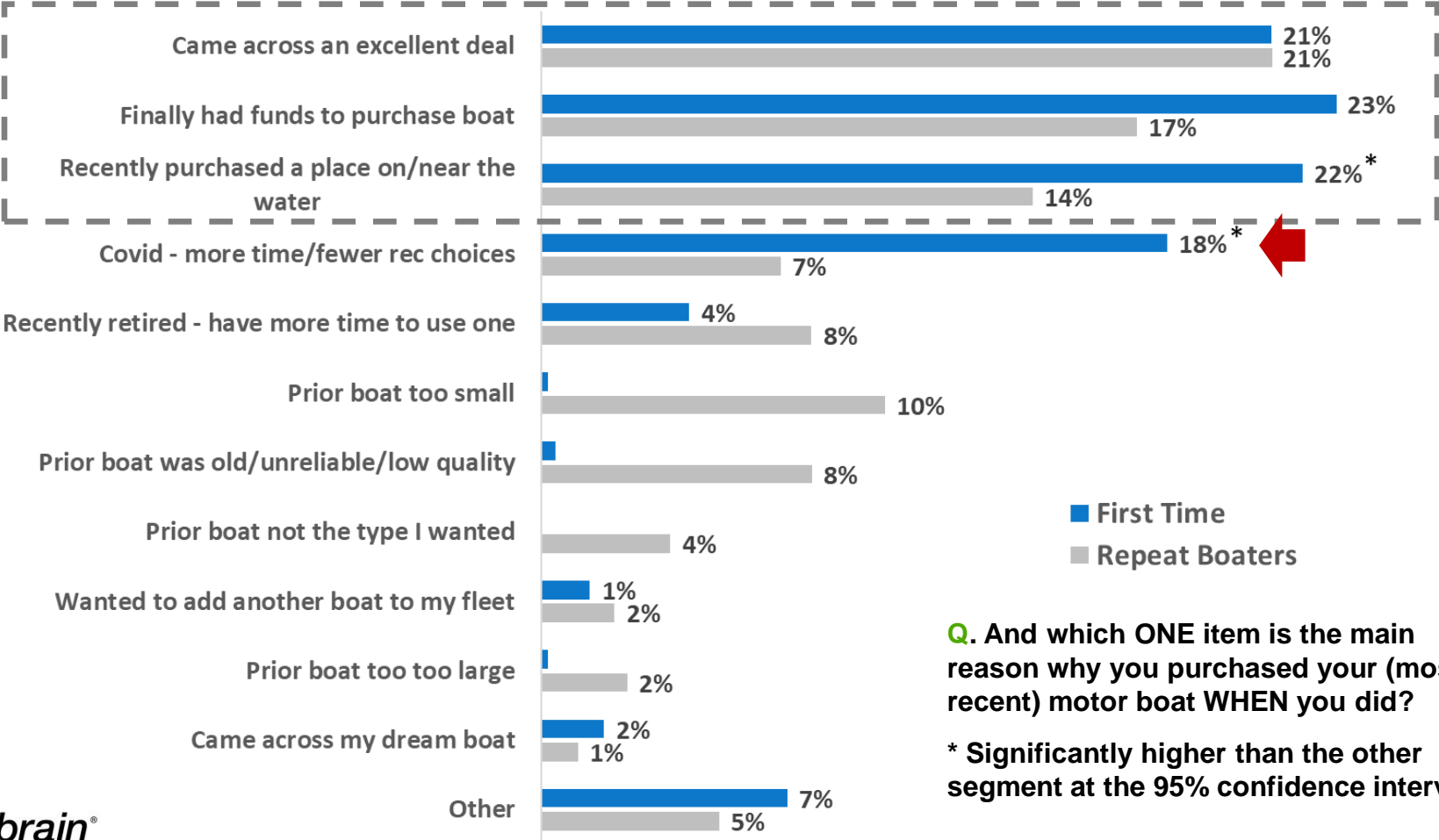
-  Though identifying boats for sale during the pandemic was difficult, boaters were mostly satisfied with the shopping and purchase experience. However, **better product training** is desired.
-  **Used** buyers are nearly as satisfied as New purchasers with their boat but are far **less likely to visit a dealer** for maintenance or service work.
-  Those who visit a dealer for **maintenance or service** are mostly happy with the quality of the work performed but feel that the **cost and turnaround time are unreasonable**.
-  A vast majority of first time and repeat boat owners **intend to remain in boating**. However, **underutilization** and the **cost of ownership** are **key risk factors for defection**.



***Though identifying boats for sale during the pandemic was difficult, boaters were mostly satisfied with the shopping and purchase experience. However, better product training is desired.***

# Though Covid was not the only factor, it was a key purchase motivator for many First Time boat buyers.

Why Purchased Boat When You Did  
(2020 Purchasers Only)



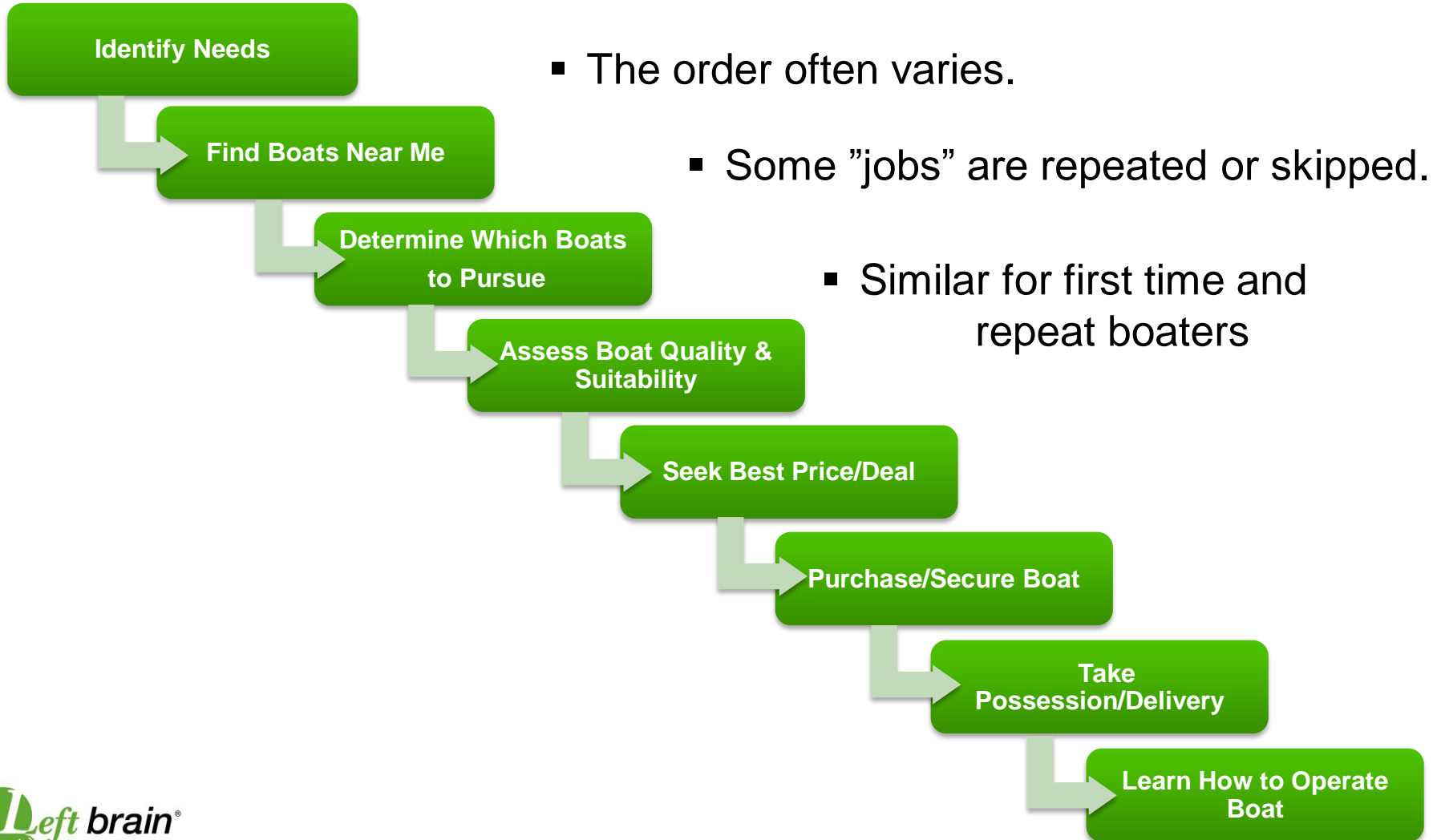
**Q. And which ONE item is the main reason why you purchased your (most recent) motor boat WHEN you did?**

\* Significantly higher than the other segment at the 95% confidence interval.



Base: Purchased boat in 2020. First Time (184), Repeat (253).

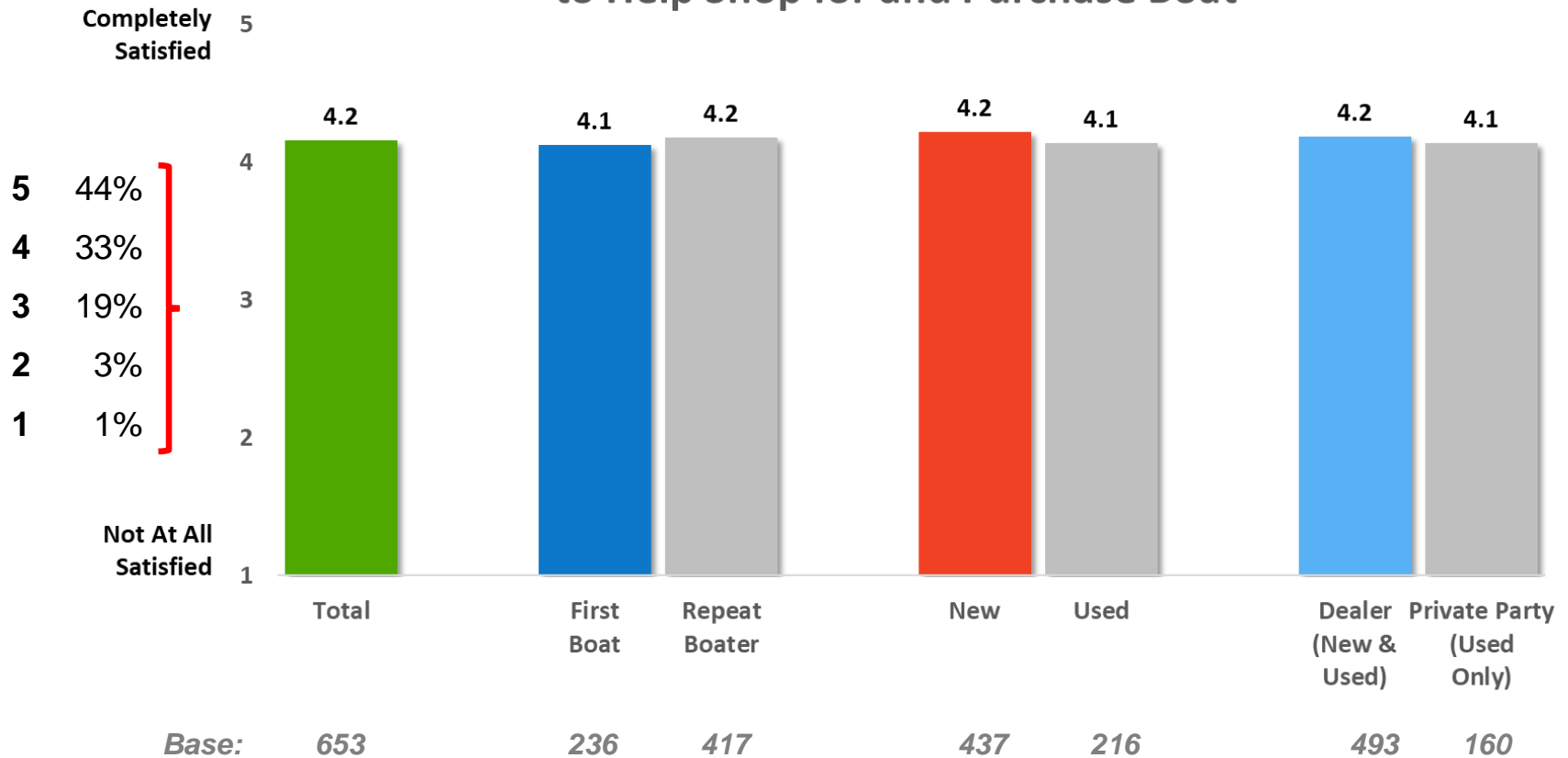
# Common Shopping & Purchase “Jobs”





# Shopping for a boat is Ok...but could be better.

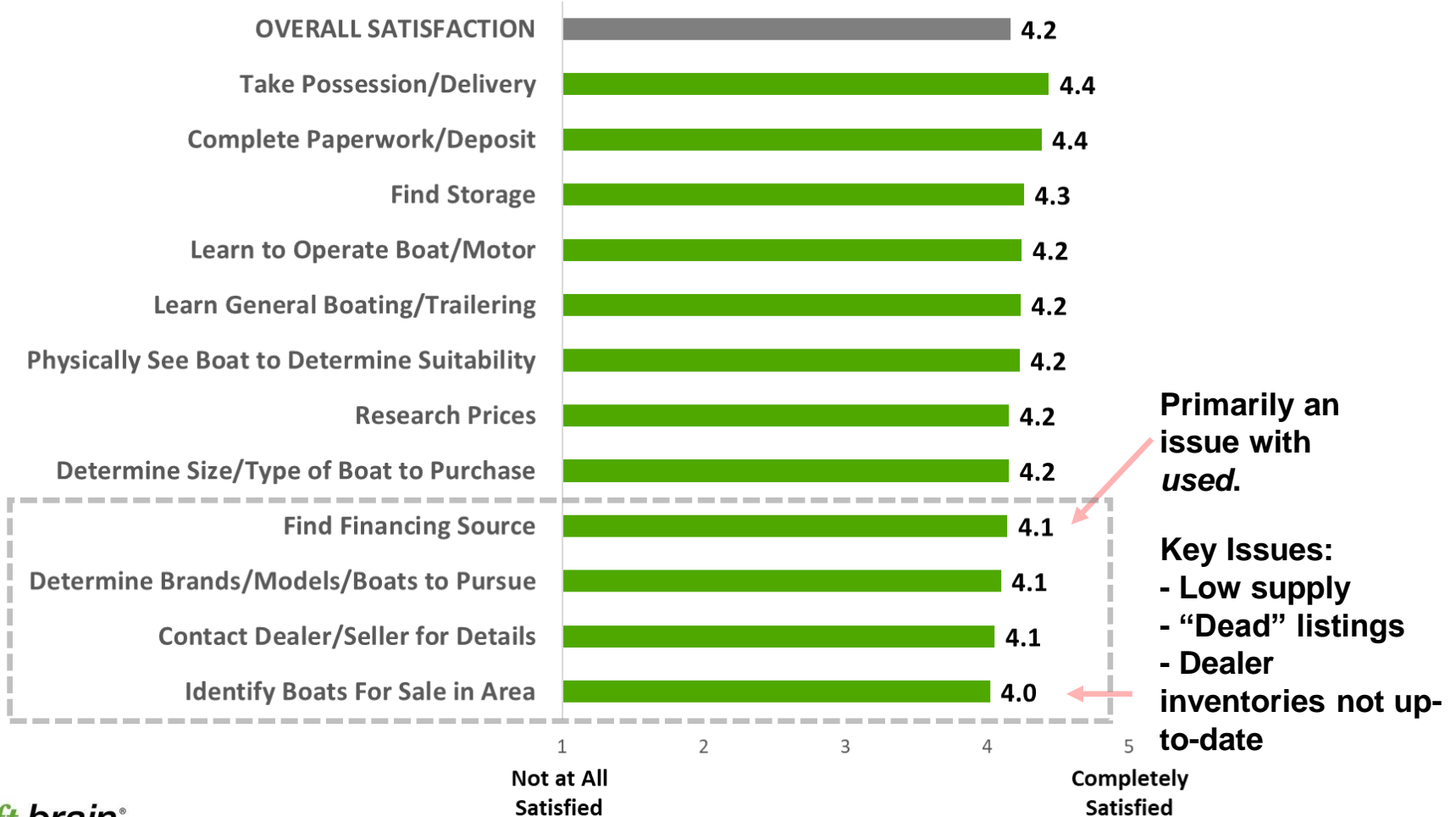
## Overall Satisfaction with Information/Assistance to Help Shop for and Purchase Boat





# Finding boats for sale and getting details was especially frustrating during the pandemic.

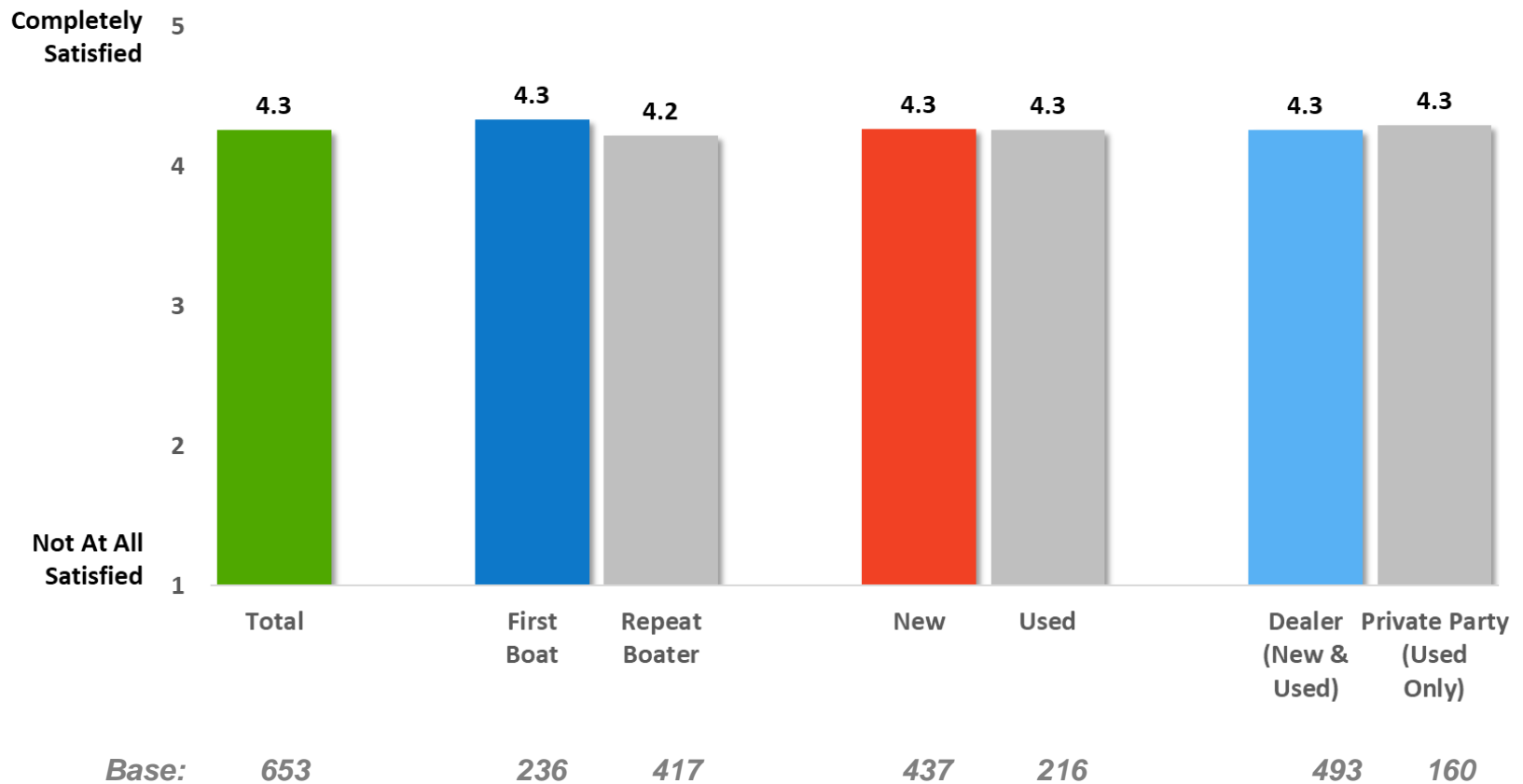
Satisfaction with Boat Shopping "Jobs"  
(Total Sample)



Q. How satisfied were you with the information, input or assistance received to help you accomplish each of the shopping and boat purchase tasks below.

# Regardless of boating experience or purchase location, *overall* satisfaction with the buying experience was essentially the same.

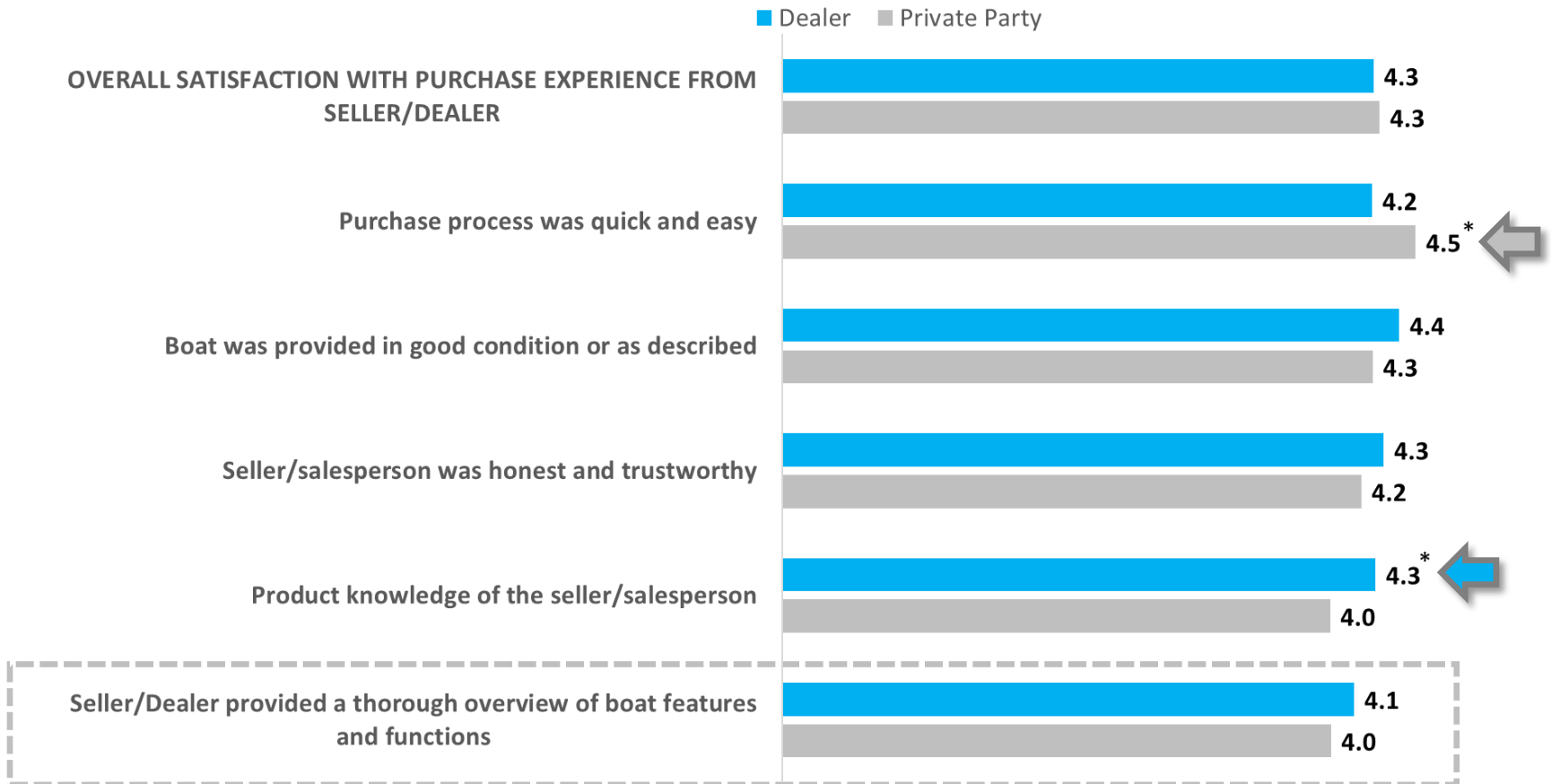
Overall Satisfaction with Purchase Experience from Dealer/Seller



Q. Thinking back to when you purchased your boat and took delivery (if applicable), how satisfied were you with the person or dealer you purchased your boat from on each of the following items...Overall Experience

# But many would like a better overview of the boat from the dealer/seller.

Satisfaction With Dealer/Seller



**Q.** Thinking back to when you purchased your boat and took delivery (if applicable), how satisfied were you with the person or dealer you purchased your boat from on each of the following items...

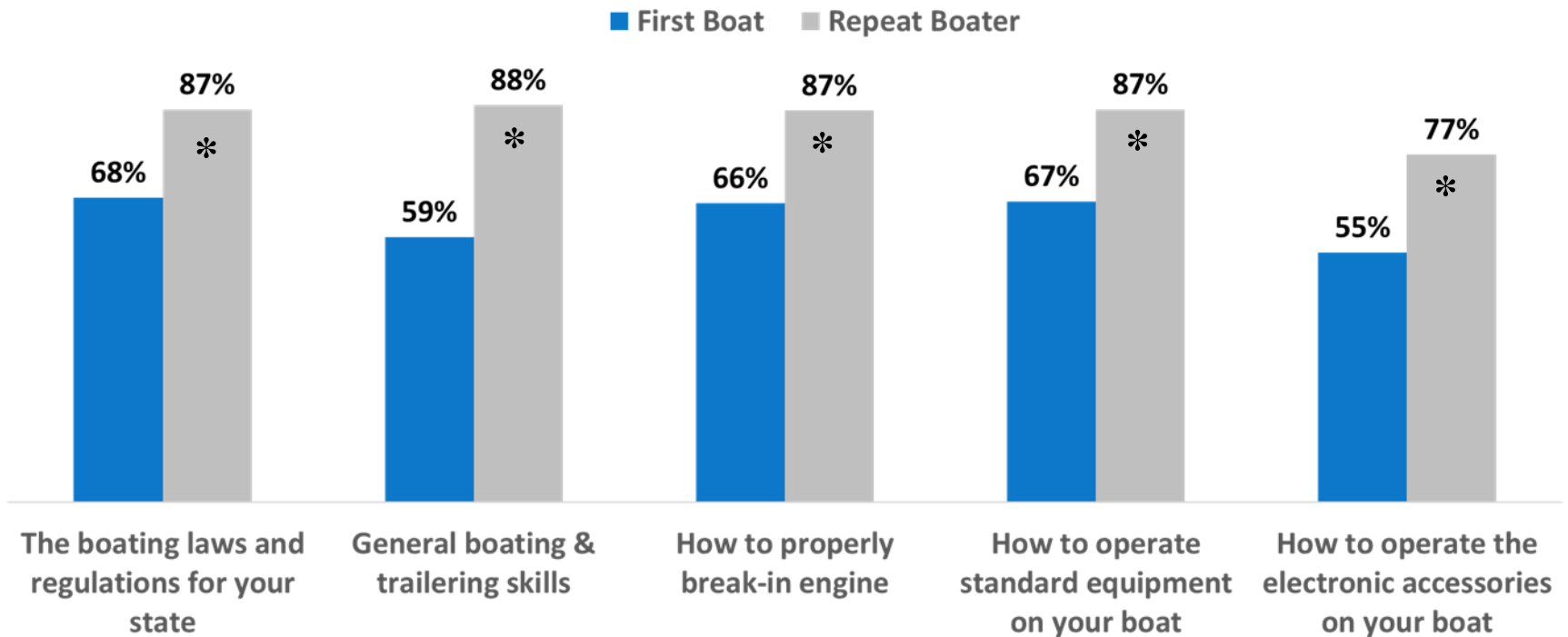
\* Significantly higher than the other segment at the 95% confidence interval.

**Scale:** 5=Completely Satisfied, 1=Not At All Satisfied

**Base:** 493 Purchased a boat from a Dealer and 160 from a Private Party.

# First time boaters often start out lacking confidence with basic boating skills.

Boater Knowledge/Confidence After Initially Purchasing Boat  
Top 2 Box (Rated 5 or 4)



Q. At the time you purchased your boat and brought it home, how knowledgeable or confident were you with each of the following?

\* Significantly higher than the other segment at the 95% confidence interval.

Scale: 5=Very Knowledgeable/Confident, 1=Not At Knowledgeable/Confident

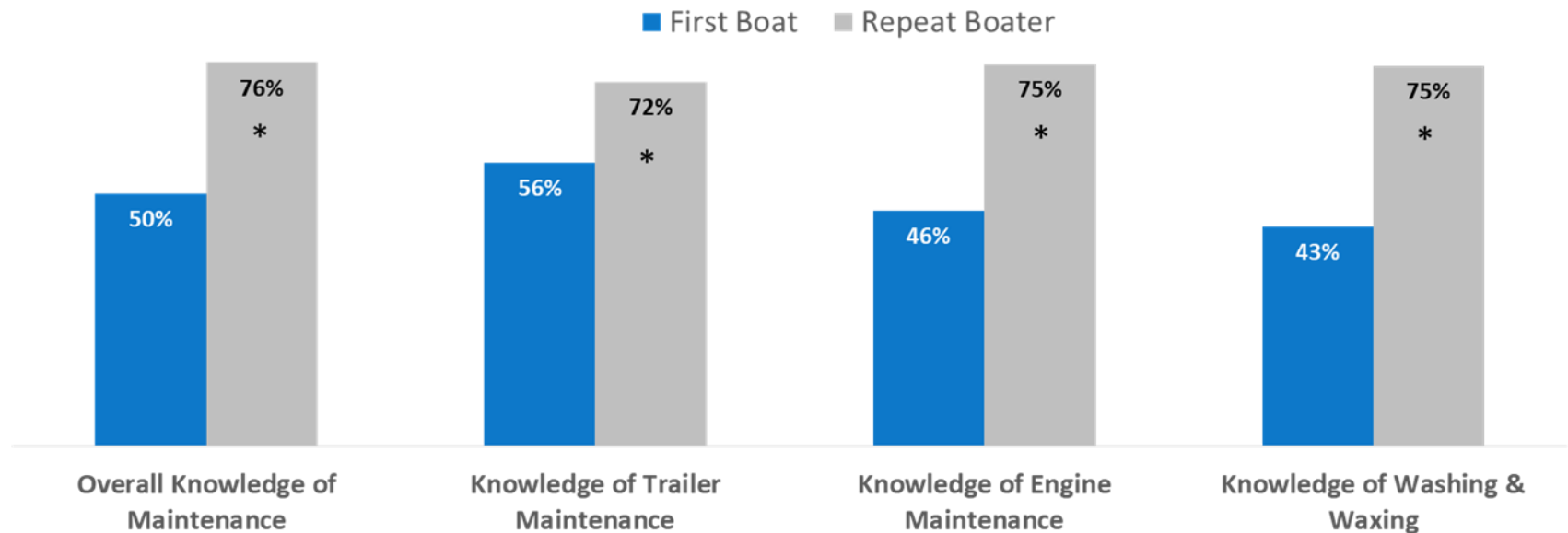
Base: 236 First Time and 417 Repeat Boaters



# First Time boaters are also unsure as to how to properly maintain their boat.

## Knowledge of Boat Maintenance Requirements

Top 2 Box (Rated 5 or 4)



Q. At the time you took possession of your boat, how knowledgeable were you with the routine maintenance requirements in each of the areas below?

\* Significantly higher than the other segment at the 95% confidence interval.

Scale: 5=Very Knowledgeable, 1=Not At Knowledgeable.

Base: 236 First Time and 417 Repeat Boaters

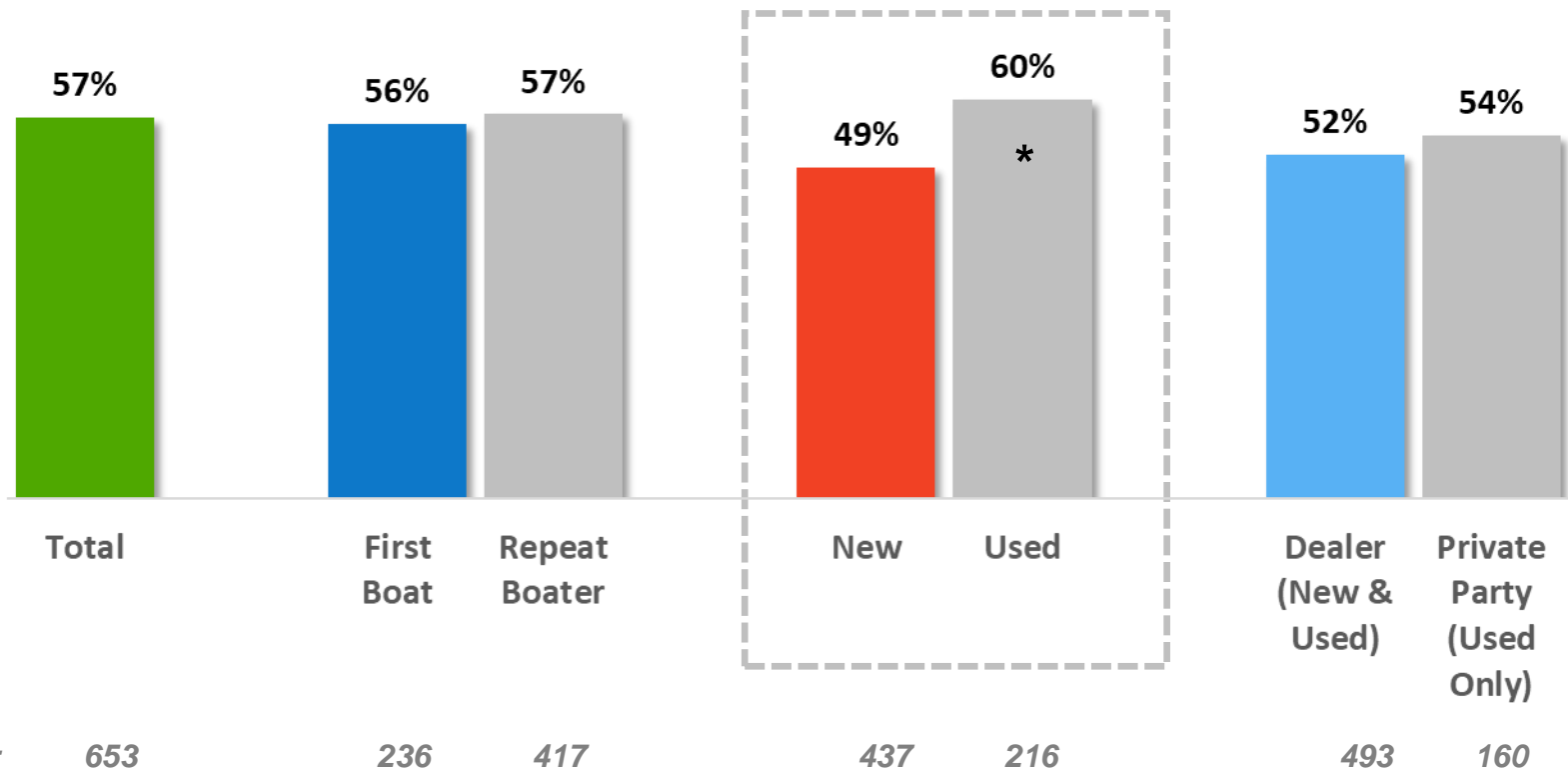




***“Used” buyers are nearly equally satisfied as “New” with their boat but are far less likely to visit a dealer for maintenance or service work.***

# Used buyers *are* more likely to incur product issues.

Experienced Any Product Problems Requiring Repairs?



\* Significantly higher than the other segment at the 95% confidence interval.

Q. Since taking possession of your boat, have you experienced any product problems that have required repairs?

# Used boat buyers are far less likely to visit a dealer for support.



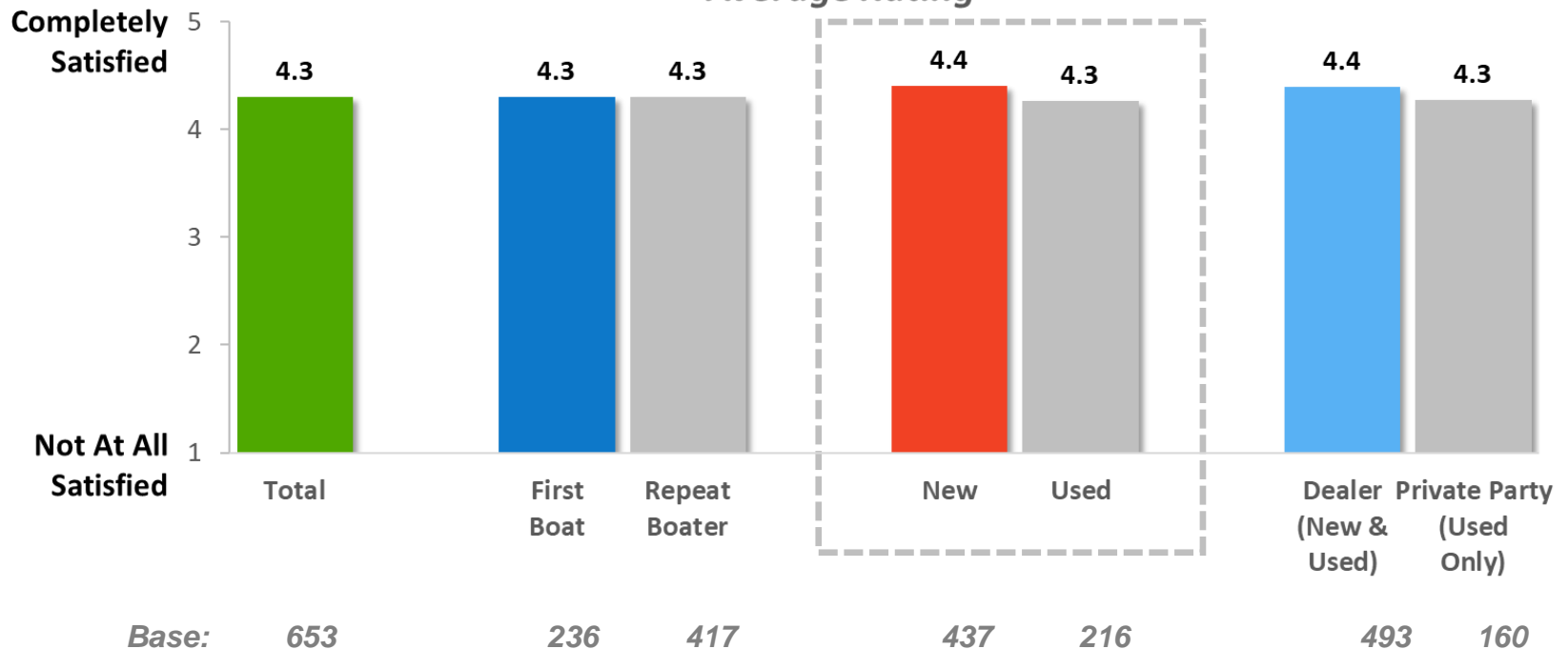
Who Handles Routine Maintenance or Service Work (check all that apply)	MAINTENANCE		SERVICE REPAIRS	
	New	Used	New	Used
I do (Boat owner)	51%	74%	28%	70%
Boat dealer	50%	9%	80%	15%
Marina or storage facility	17%	12%	8%	13%
Independent vendor/mechanic	10%	25%	15%	37%
Other	1%	5%	%	1%
<b>Base:</b>	<b>434</b>	<b>210</b>	<b>217</b>	<b>129</b>

Q. Who typically handles the routine engine and trailer (if applicable) maintenance or repairs for your boat?

Significantly higher than the other segment at the 95% confidence interval.

# Despite the increase in problems, Used buyers are nearly equally satisfied with their boat as New purchasers.

Overall Satisfaction with Boat Package  
Average Rating





***Those who visit a dealer for maintenance or service are mostly happy with the quality of the work performed but feel that the cost and turnaround time are unreasonable.***

Visit Dealer for...	% of Total Boaters
Maintenance	20%
Service Work	30%
<b><i>Net - Either One</i></b>	<b>40%</b> ←



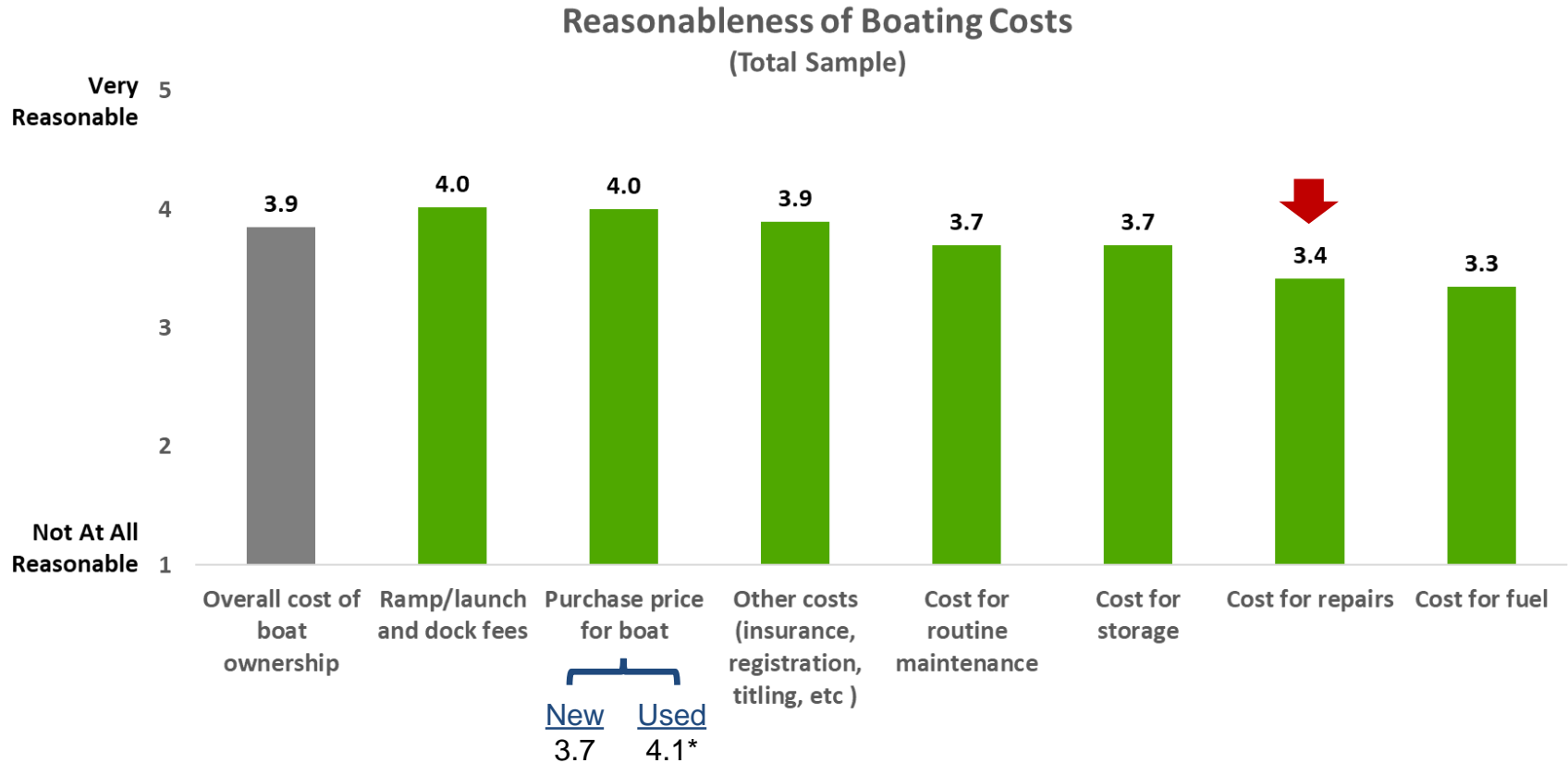
# Satisfaction with dealer maintenance/service is mixed...



**Q.** Earlier you indicated that some of your routine maintenance and/or repair work was performed by a boat dealer. Please indicate your satisfaction with your dealer on the items below. If you have been to more than one dealer, focus on the dealer you go to most often.



# Relative to most other boating expenses, the cost for repairs is especially disappointing.



Q. Below are various cost items associated with boat ownership. Please indicate how reasonable you think each item is considering the benefit or value received.

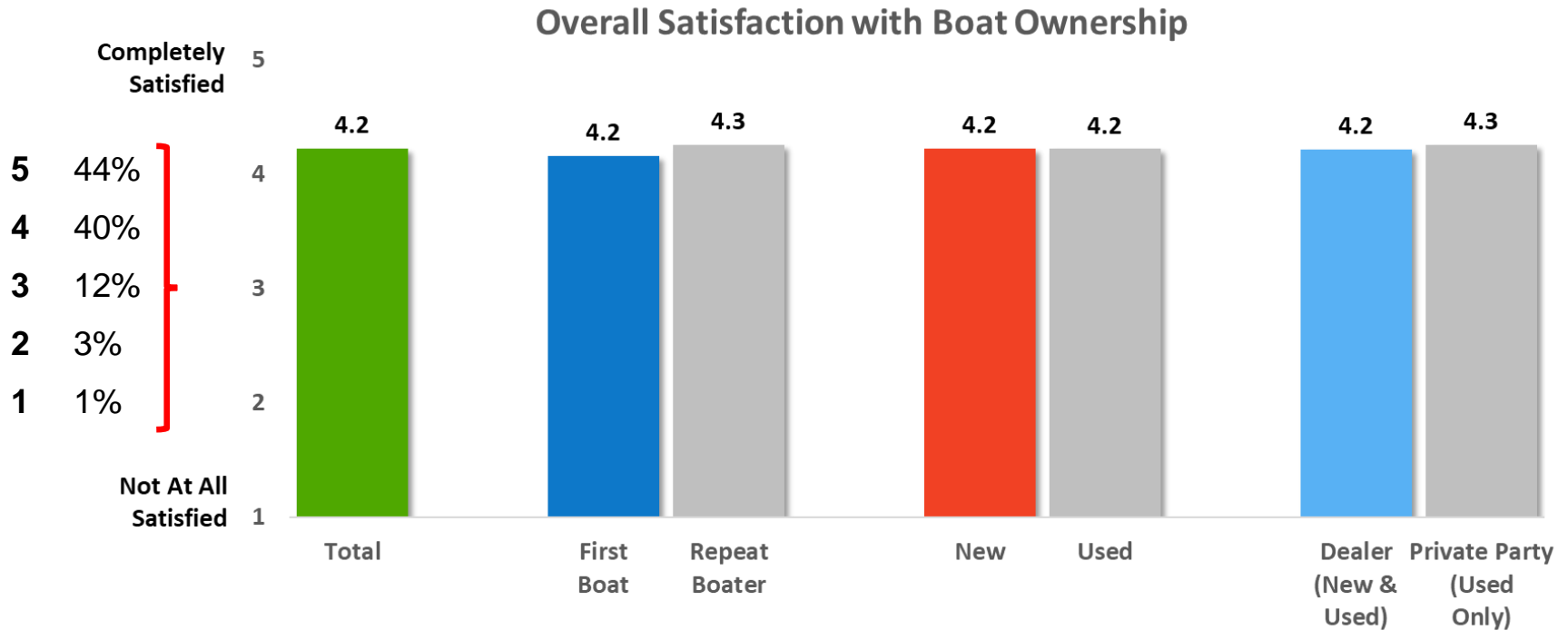
\* Significantly higher than the other segment at the 95% confidence interval.

Base: 653 Total boaters.



***A vast majority of first time and repeat boat owners intend to remain in boating. However, underutilization and the cost of ownership are key risk factors for defection.***

# Boaters are mostly satisfied with their overall boat ownership experience.



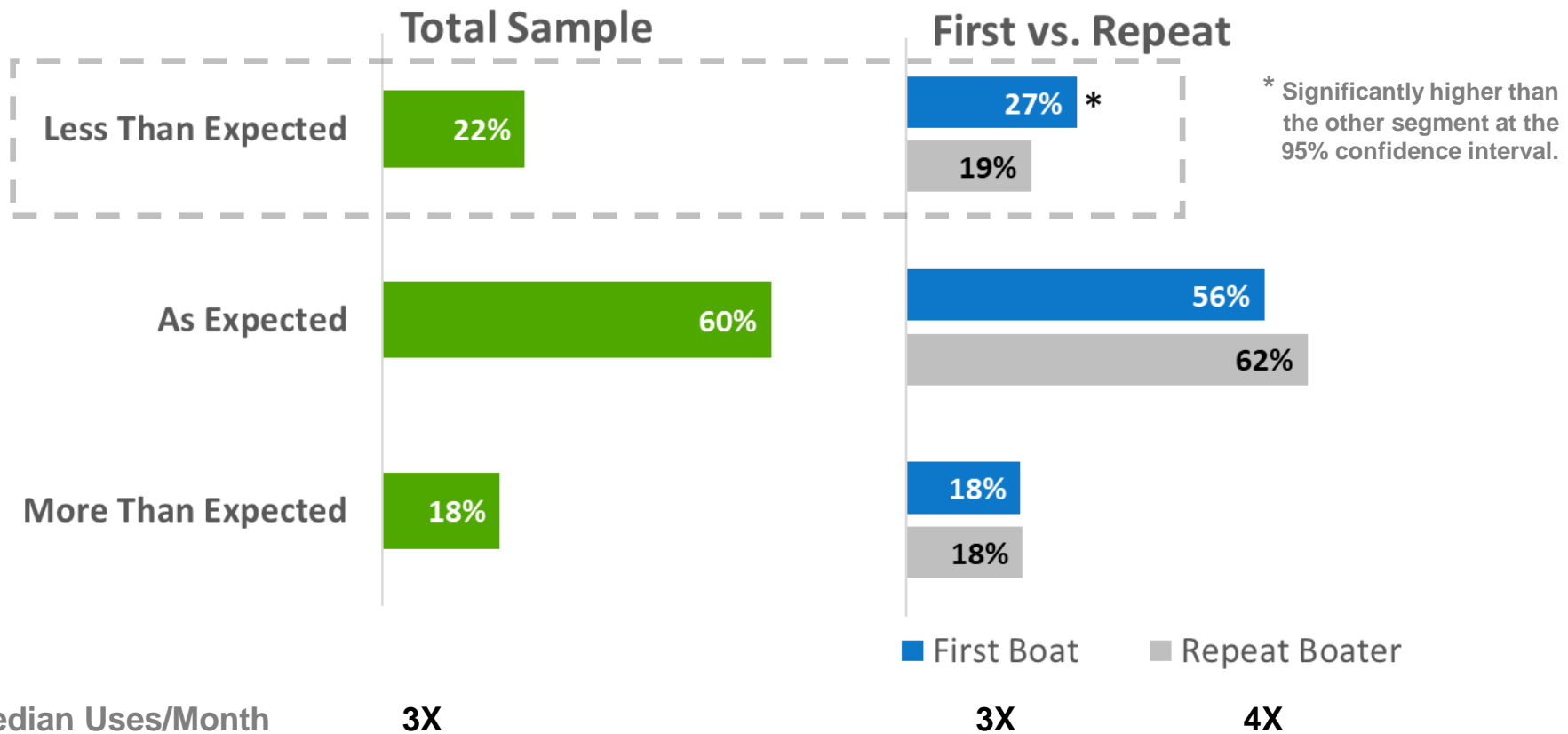
\* Significantly higher than the other segment at the 95% confidence interval.

Q. All things considered, how satisfied are you with your overall boat ownership experience thus far?

Base: First (236), Repeat (417), New (437), Used (216), Dealer (493), PP (160), Total (653).

# 1 in 4 First Time boaters don't use their boat as often as anticipated.

## Boat Usage vs. Expectations



Q. And has your boat usage thus far been more than expected, less than expected or about as you expected when you first purchased your boat?

Base: First (236), Repeat (417), Total (653).



# Why Usage Matters...A Lot

## Boat Usage vs. Expectations

	Equal to or More Than Anticipated	Less Than Anticipated
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Likelihood of Remaining a Boat Owner\*



**95%**



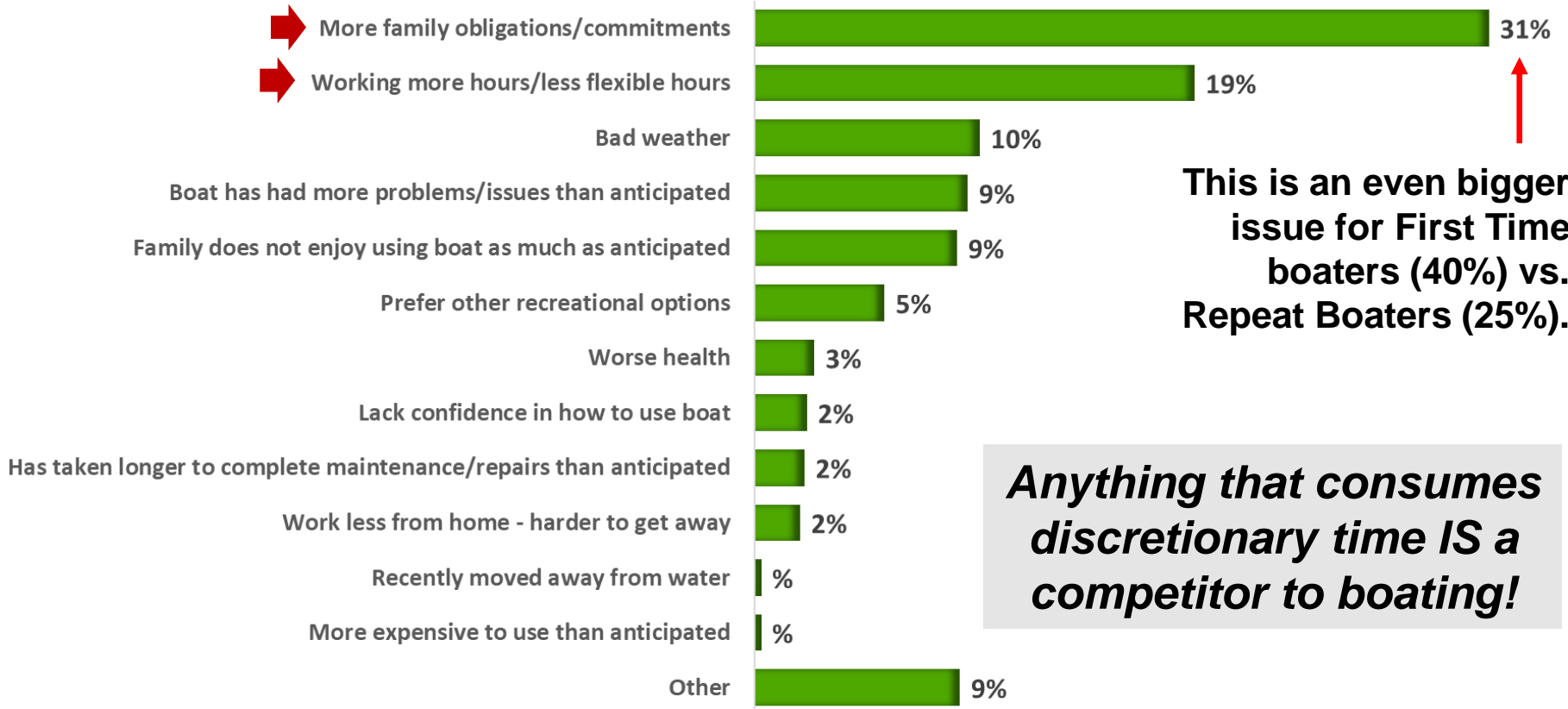
**71%**

\* Percent who “Definitely” or “Probably” will remain a boater in 5 years.

# So why don't boaters use their boats more?

## Main Reason Why Used Boat LESS Than Anticipated

(Total Sample)



**This is an even bigger issue for First Time boaters (40%) vs. Repeat Boaters (25%).**

***Anything that consumes discretionary time IS a competitor to boating!***

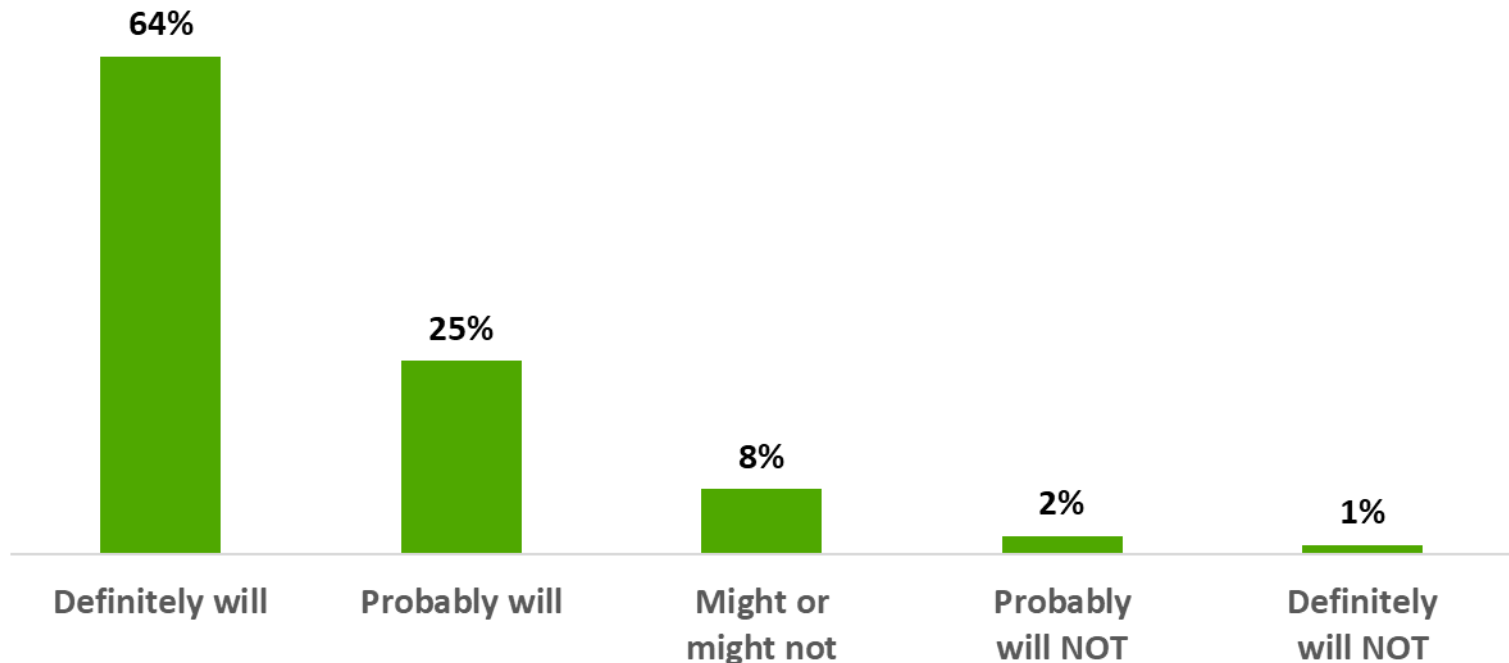


Q. And what is the ONE main reason why you have used your boat LESS than anticipated?

Base: 135 Who used their boat less than anticipated.

# A vast majority intend to remain a boat owner over the next 5 years.

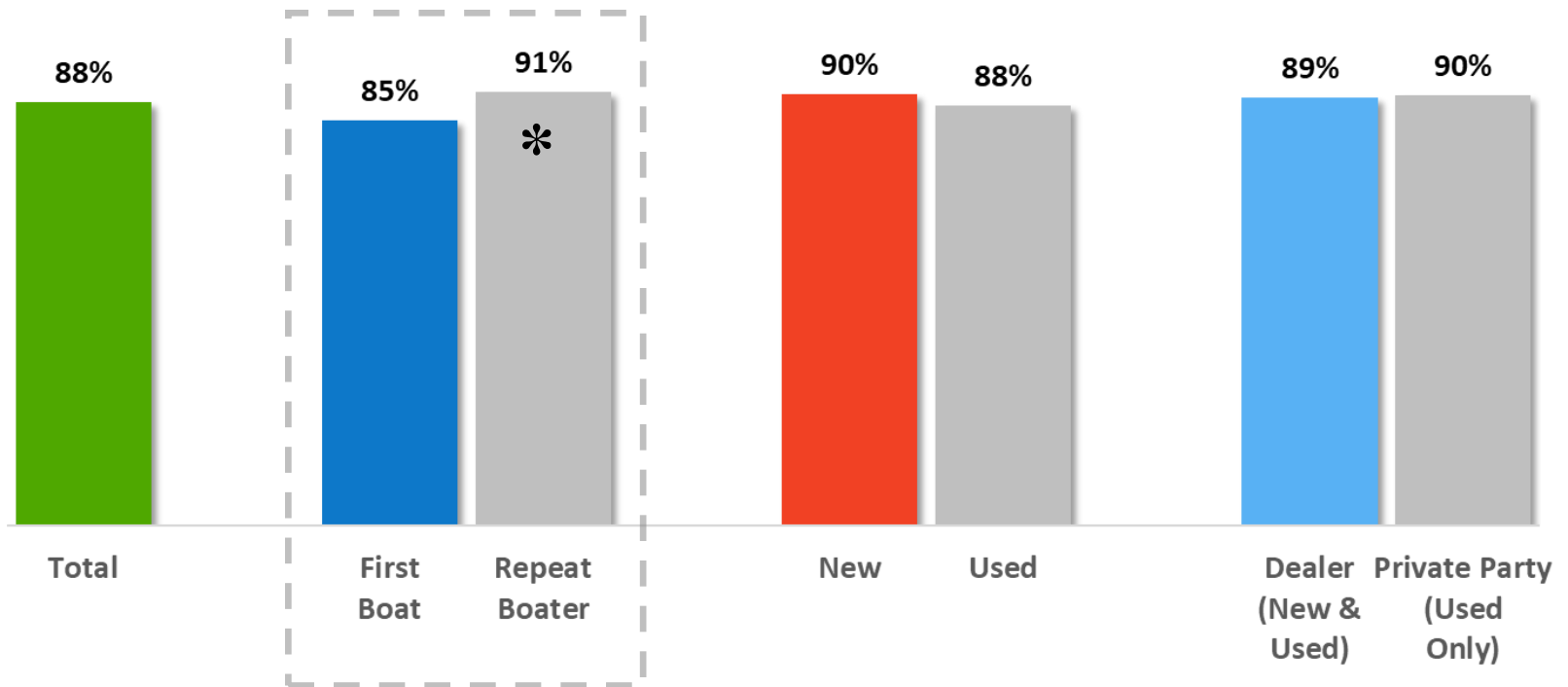
Likelihood of Remaining a Boat Owner Next 5 Years  
(Total Sample)



Q. And, based on your ownership experience thus far, how likely are you to remain a boat owner over the next 5 years?

# However, First time boaters are slightly less committed.

Likelihood of Remaining a Boat Owner in 5 Years  
(% Definitely or Probably Will)



\* Significantly higher than the other segment at the 95% confidence interval.



Q. And, based on your ownership experience thus far, how likely are you to remain a boat owner over the next 5 years?

Base: First (236), Repeat (417), New (437), Used (216), Dealer (493), PP (160), Total (653).

# Why some might leave boating.

<b>Reasons Might Not, Probably Not or Definitely Will Not Remain a Boat Owner in Next 5 Years (Coded Mentions)</b>	<b>Total</b>	<b>First</b>	<b>Repeat</b>
➔ Insufficient Usage	40%	48%	28%
➔ Cost of Ownership (Maintenance/Repairs, Fuel)	26%	24%	28%
Product Problems/Service Issues	14%	8%	22%
Time/Effort to Maintain/Use Boat	9%	12%	6%
Age/Health Reasons	9%	0%	22%
Condition of Waterways (Cleanliness, Congestion)	9%	4%	17%
<b><i>Base (Provided Comment):</i></b>	<b>43</b>	<b>25</b>	<b>18</b>

**Note: Only the main items mentioned are listed above.**

# So, what drives overall satisfaction and retention?

- Two inter-related models were developed (Ordinal Logistic Regression).

$$\text{Overall Ownership Experience} = f \left( \text{Boat Sat} + \text{Cost of Ownership} + \text{Routine Maintenance Requirements} + \text{Confidence in Operating Standard Equip} + \text{Frequency of Boat Usage} \right)$$


$$\text{Boater Retention Intentions} = f \left( \text{Overall Ownership Experience} + \text{Frequency of Boat Usage} + \text{Whether Use Boat Exclusively for Fishing} \right)$$

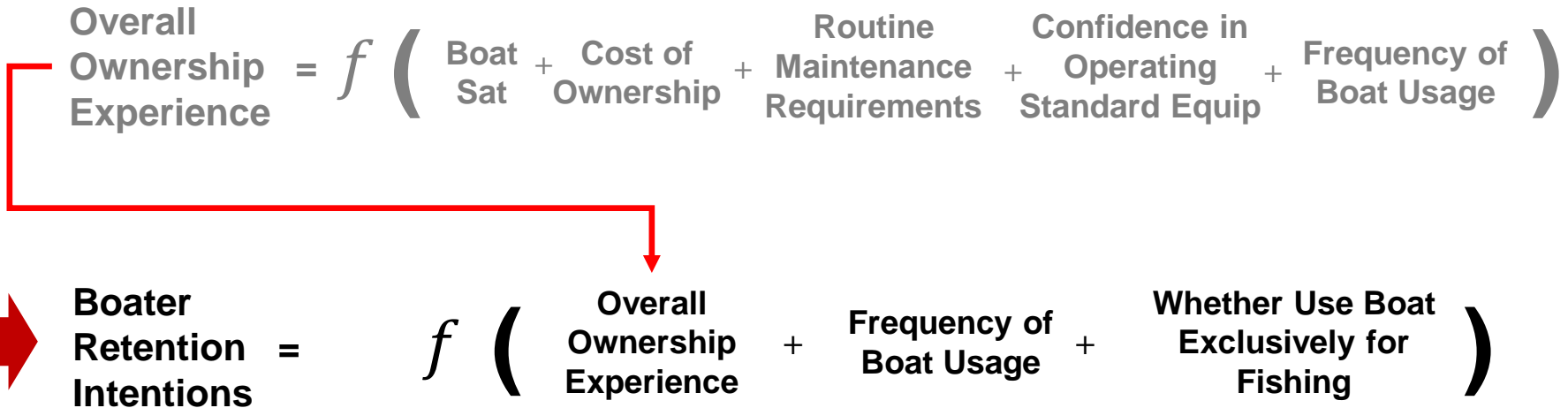
# Overall Ownership Experience Sensitivity Analysis

## *What Happens when We Vary Each Item?\**

Predictive Variable	Value Range	Change in % Completely Satisfied with Ownership Experience
Satisfaction with <b>Boat</b>	1 to 5	+ 57 pts
Satisfaction with <b>Routine Maintenance</b> Requirements	1 to 5	+ 29 pts
Reasonableness of <b>Cost</b> of Ownership	1 to 5	+ 41 pts
Confidence in Operating <b>Standard Equipment</b>	1 to 5	+ 21 pts
Frequency of <b>Usage</b>	LT 3X, 3-4X, 5X+	+ 25 pts

\* Holding everything else constant at the baseline values – 4 for all ratings and 3-4X for Freq of Boat Usage.

# Now let's look at the retention model...





# Retention Intentions Sensitivity Analysis

*What Happens when We Vary Each Item?\**

Predictive Variable	Value Range	Change in % “Definitely Will Remain a Boat Owner”
Overall Ownership Experience	1 to 5	+ 80 pts
Frequency of Usage	LT 3X, 3-4X, 5X+	+ 32 pts
How Use Boat	Not Just Fishing, Fishing Only	+ 20 pts

\* Holding everything else constant at the baseline values – 4 for Overall Experience, 3-4X for Freq of Boat Usage and “Not Just Fishing” for How Use Boat.

# How to Improve the Boat Shopping, Purchase and Ownership Experience?

- **Shopping**
  - Accurate Online Inventories
  - Engage prospects (e.g., newsletter)
    - Current inventory
    - Expected arrivals
  
- **Purchase**
  - Thorough product overview at delivery
    - Sufficient time
    - Supplement with hand-outs and product walk-through videos
  
  - Inform of boater education resources available
    - Online certification/safety classes
    - Quality “How-to” videos

# How to Improve the Boat Shopping, Purchase and Ownership Experience? (continued)

- **Ownership**
  - Minimize “downtime” for dealer maintenance/service work
  - Potentially target USED market for dealer maintenance/service work
  - Seek opportunities to reduce cost – new boats, maintenance/service
  - Sponsor events to encourage boat usage

# Thank You!

## Jerry Mona

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