







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

Industry Webinar

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The *Right*Approach to
Business Decisions

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My Story...

Corporate Research/Marketing (14 Yrs)

Launched LBM 2000







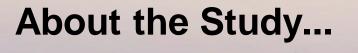


Research for Boating & Rec/Durables











- 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.



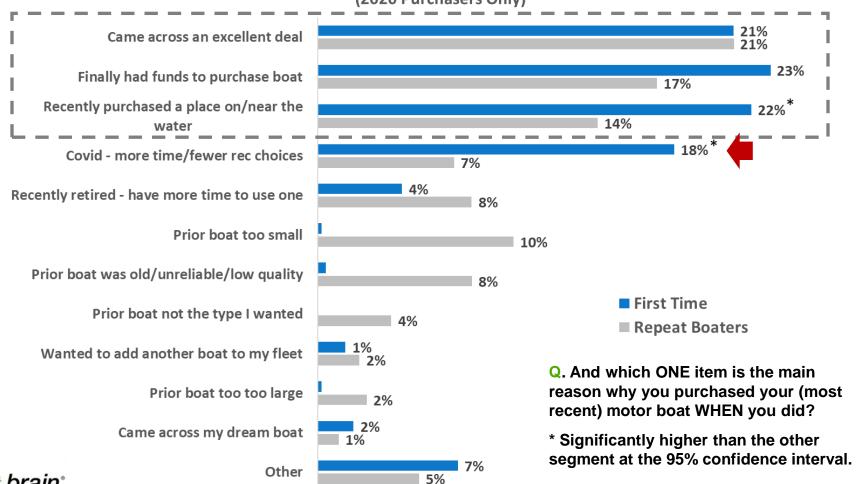
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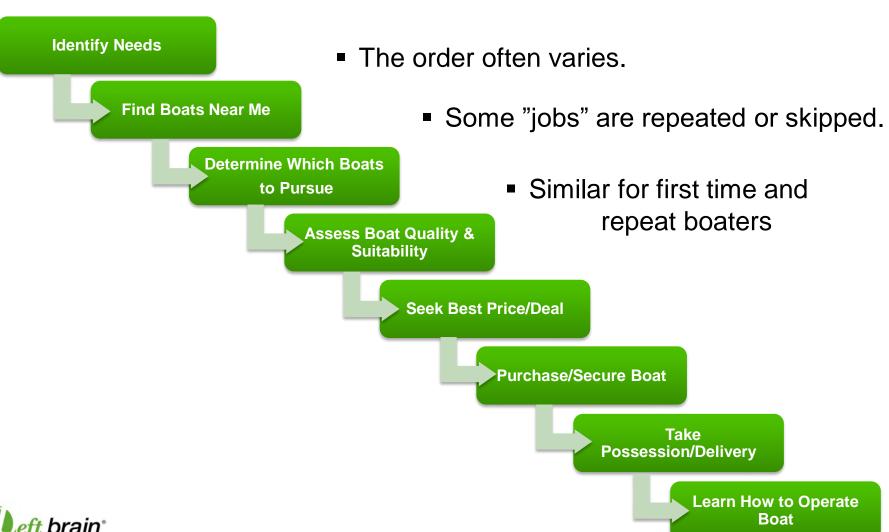
Though Covid was not the only factor, it was a key purchase motivator for many First Time boat buyers.



(2020 Purchasers Only)

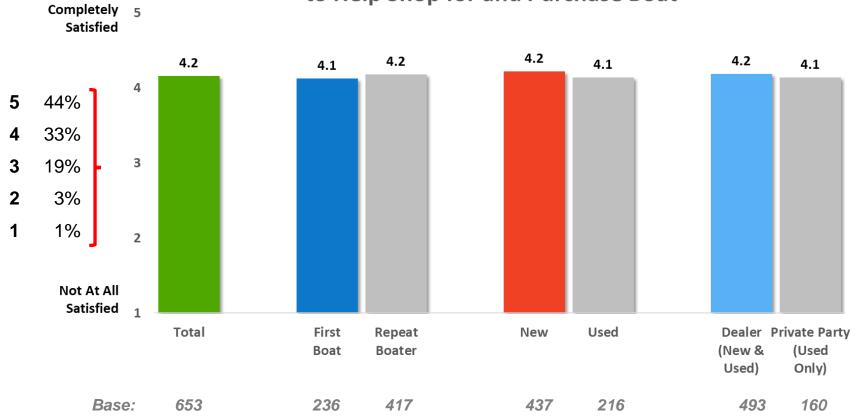


Common Shopping & Purchase "Jobs"



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

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





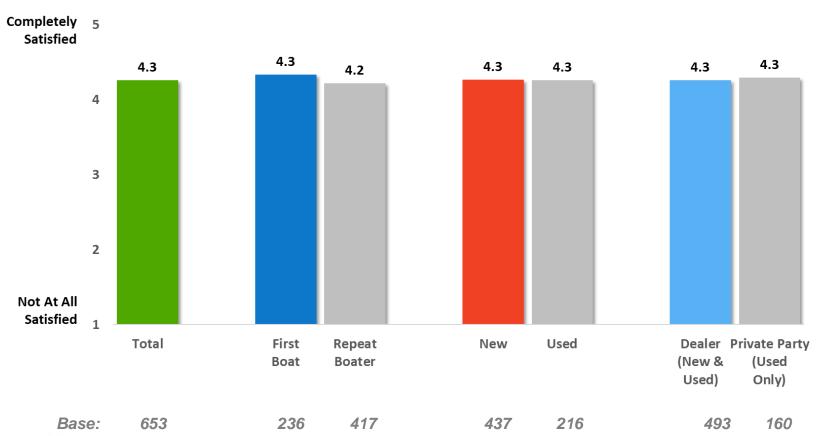
Finding boats for sale and getting details was especially frustrating during the pandemic.





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

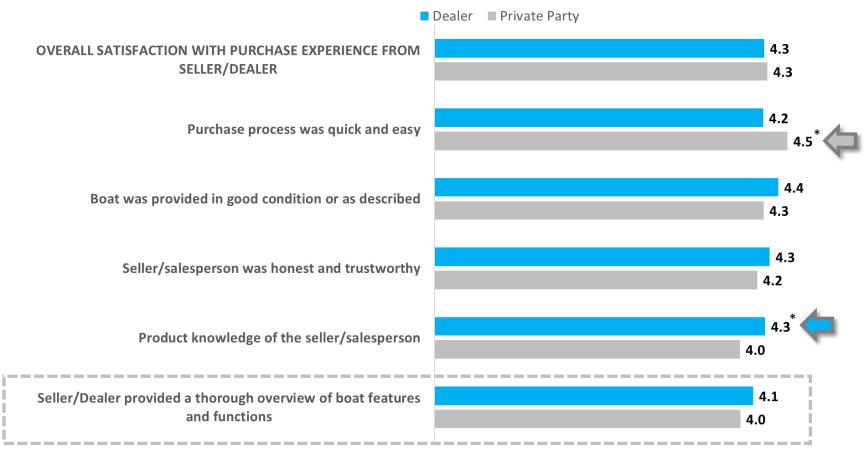
Overall Satisfaction with Purchase Experience from Dealer/Seller





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...

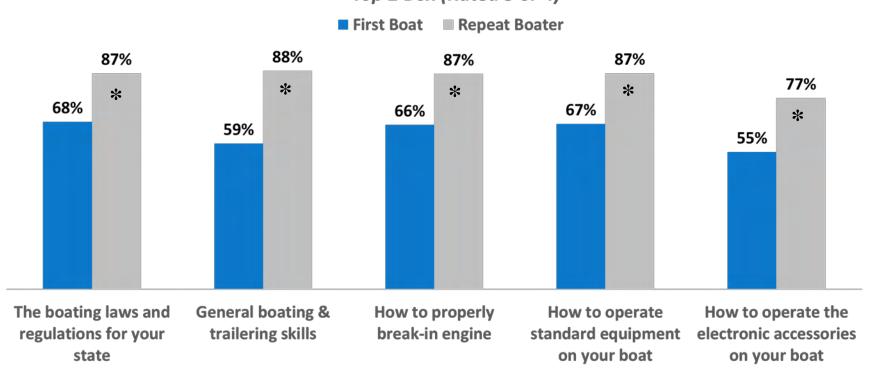


Scale: 5=Completely Satisfied, 1=Not At All Satisfied **Base**: 493 Purchased a boat from a Dealer and 160 from a Private Party.

^{*} Significantly higher than the other segment at the 95% confidence interval.

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?

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

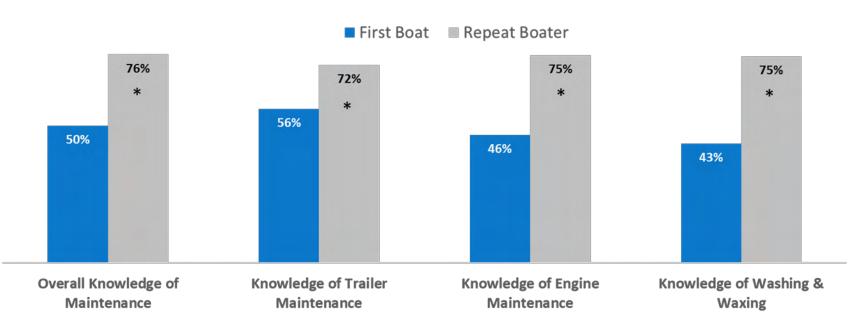


^{*} Significantly higher than the other segment at the 95% confidence interval.

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



Top 2 Box (Rated 5 or 4)





^{*} Significantly higher than the other segment at the 95% confidence interval.



Base: 236 First Time and 417 Repeat Boaters

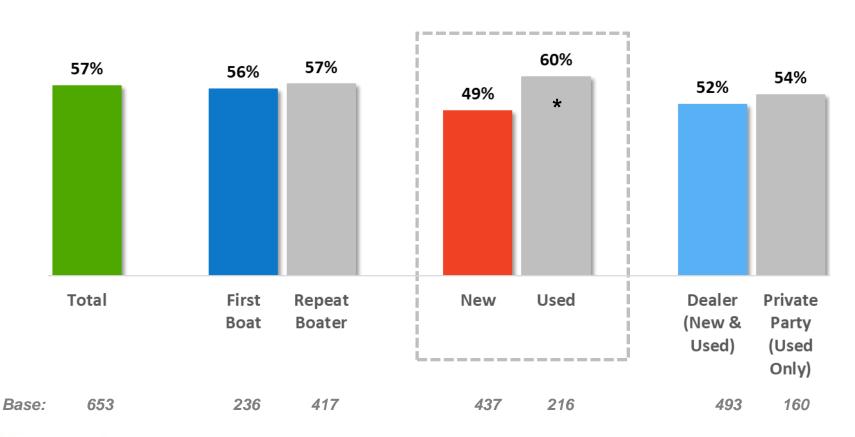


"Used" buyers are nearly equally satisfied as "New" with their boat but are far less likely to visit a dealer for maintenance or service work.



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.

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

Who Handles Routine	MAINTENANCE		SERVICE REPAIRS	
Maintenance or Service Work (check all that apply)	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%
Base:	434	210	217	129

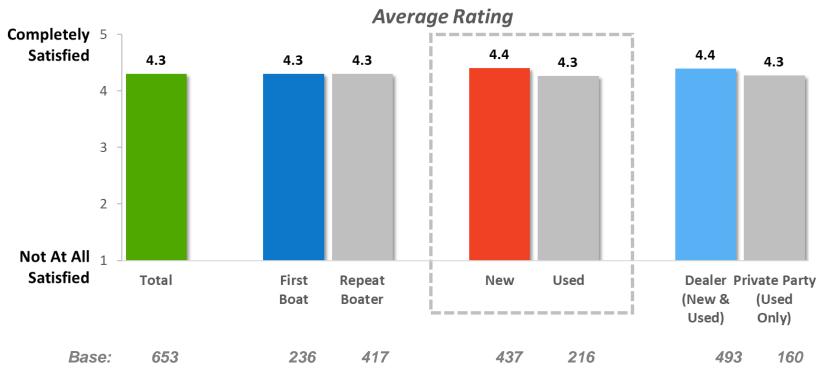


Q. Who typically handles the routine engine and trailer (if applicable) maintenance or repairs for your boat?

[☐] 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



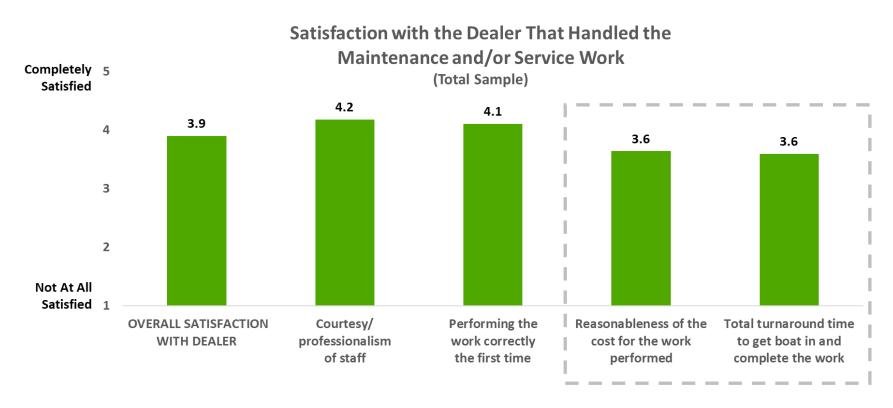


Those who visit a dealer for maintenance or service are mostly happy with the quality of the work performed but feel that the cost and turnaround time are unreasonable.

Visit Dealer for	% of Total Boaters
Maintenance	20%
Service Work	30%
Net - Either One	40% 🛑



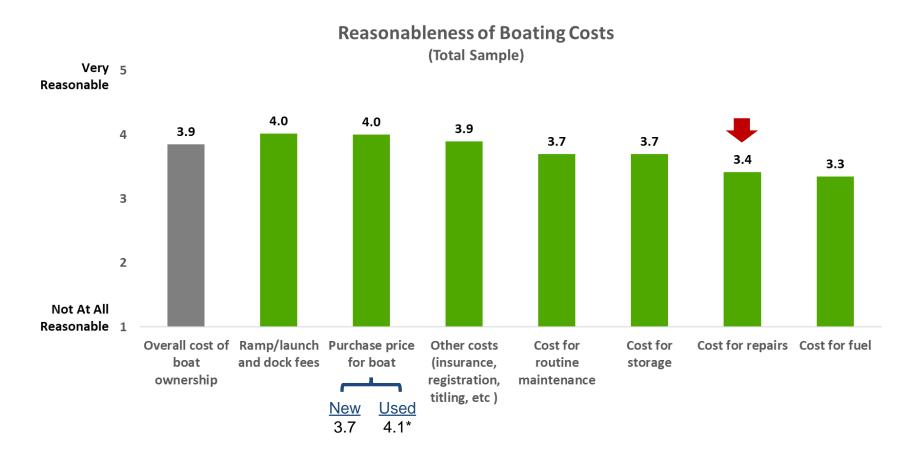
Satisfaction with dealer maintenance/service is mixed...



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.





Base: 653 Total boaters.

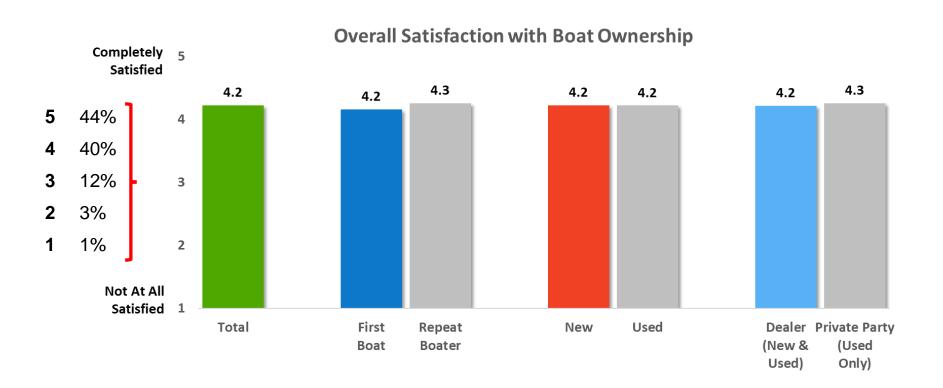
Q. Below are various cost items associated with boat ownership. Please indicate how reasonable you think each item is considering the benefit or value received.

^{*} Significantly higher than the other segment at the 95% confidence interval.

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.

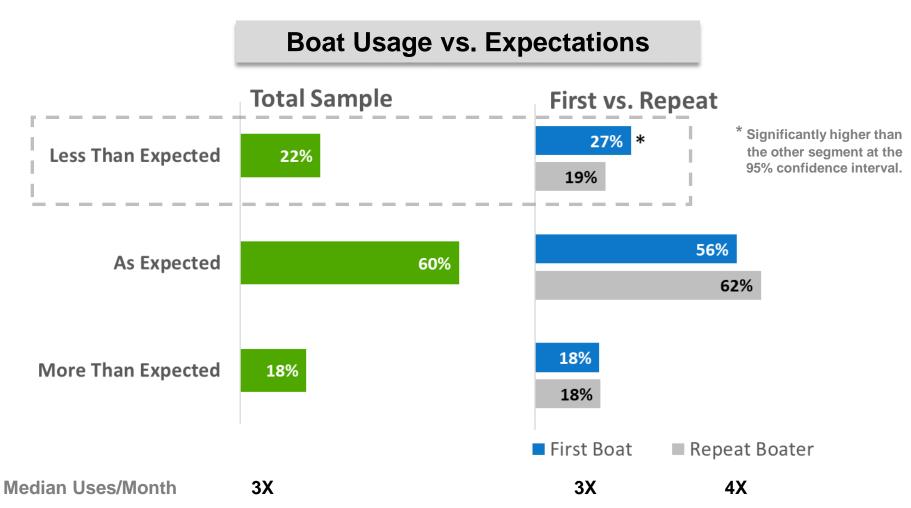




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Q. All things considered, how satisfied are you with your overall boat ownership experience thus far?

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





Why Usage Matters...A Lot

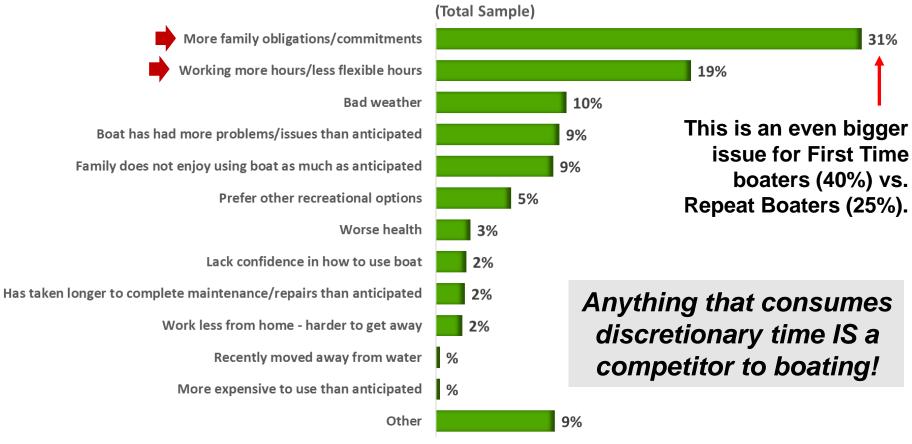
	Boat Usage vs. Expectations		
	Equal to or More Than Anticipated	Less Than Anticipated	
Likelihood of Remaining a Boat Owner*	95%	71%	

^{*} 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



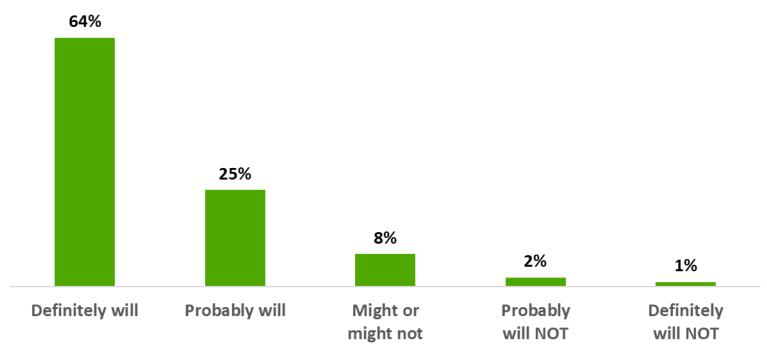


Q. And what is the ONE main reason why you have used your boat LESS than anticipated?

Base: 135 Who used their boat less than anticipated.

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





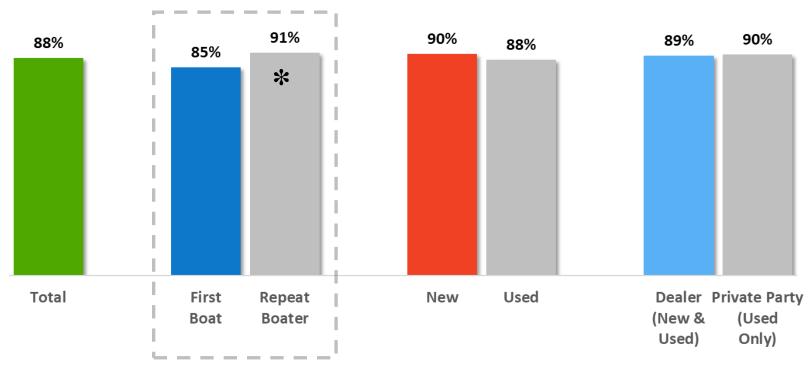


Q. And, based on your ownership experience thus far, how likely are you to remain a boat owner over the next 5 years?

Base: 653 Total boaters.

However, First time boaters are slightly less committed.





^{*} 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.

	Reasons Might Not, Probably Not or Definitely Will Not Remain a Boat Owner in Next 5 Years			
	(Coded Mentions)	Total	First	Repeat
	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%
	Base (Provided Comment):	43	25	18

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).



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 Boat	1 to 5	+ 57 pts
Satisfaction with Routine Maintenance Requirements	1 to 5	+ 29 pts
Reasonableness of Cost of Ownership	1 to 5	+ 41 pts
Confidence in Operating Standard Equipment	1 to 5	+ 21 pts
Frequency of Usage	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...



Intentions

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!

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