



State of the Recreational Boating Industry

THOM DAMMRICH, PRESIDENT

Outdoor Recreation is BIG Business

- ▶ An overlooked economic giant, outdoor recreation makes up 2.2% of GDP, contributing **\$378 Billion** of value added each year to GDP
- ▶ Gross Output for Boating/Fishing/Other Water Activities (including wakeboarding) is **\$38.6 Billion**
- ▶ Outdoor recreation contributes more to the economy than such industries as mining and agriculture.



Outdoor Recreation

Real Gross Output (Billions)



*excludes apparel and accessories

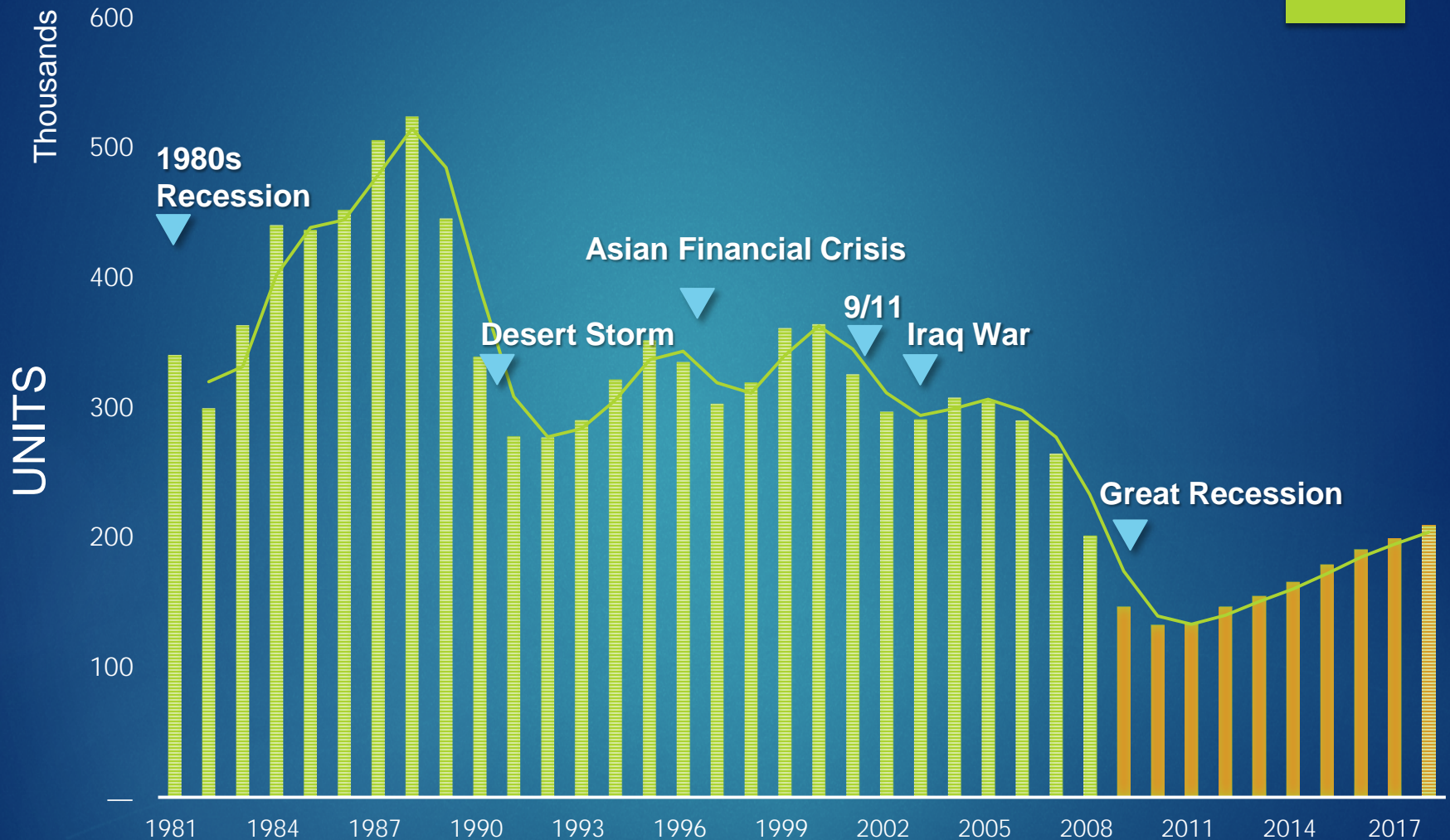
National Trends



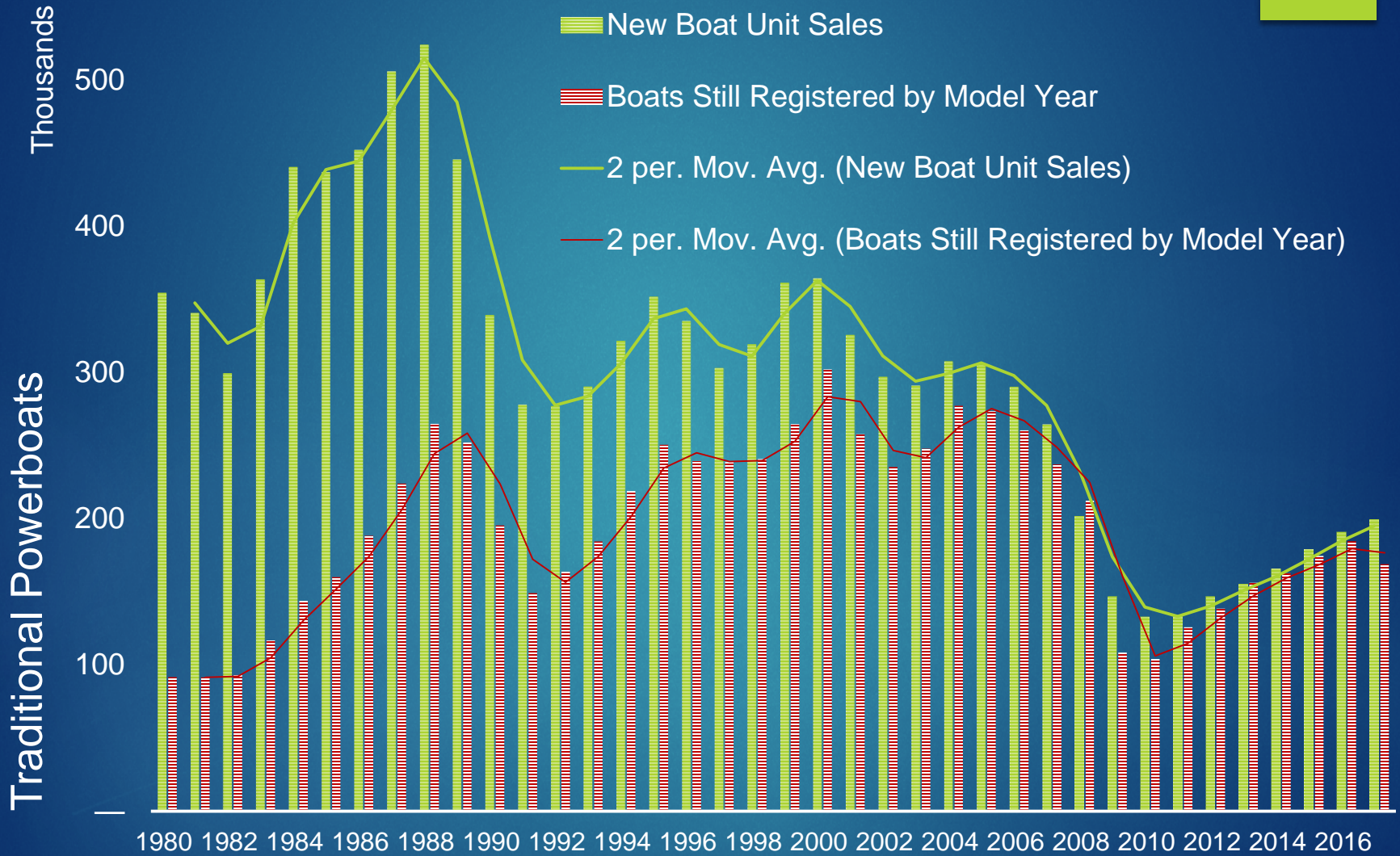
American Retail Spending on Boating



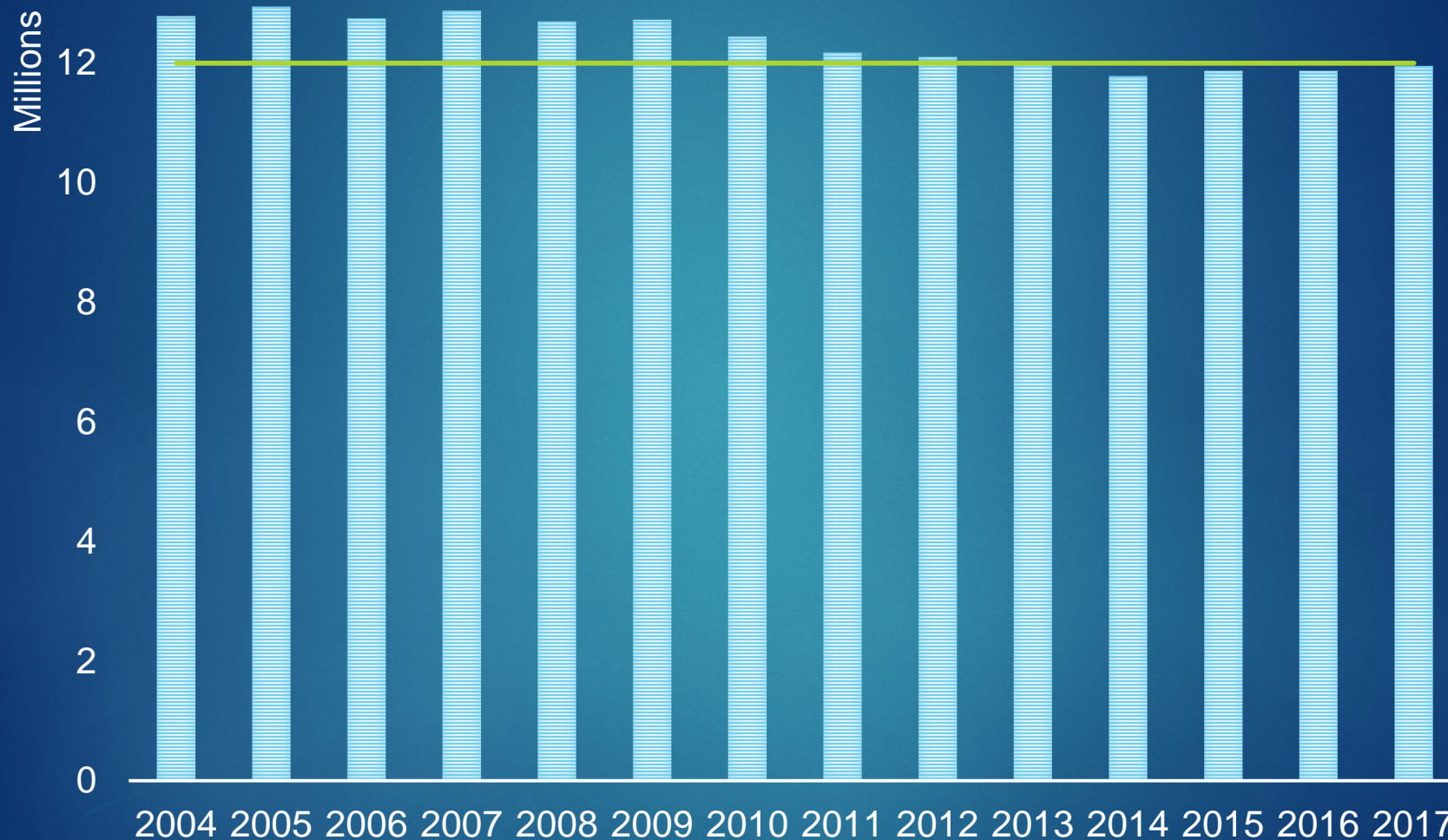
Traditional Powerboat Retail Sales



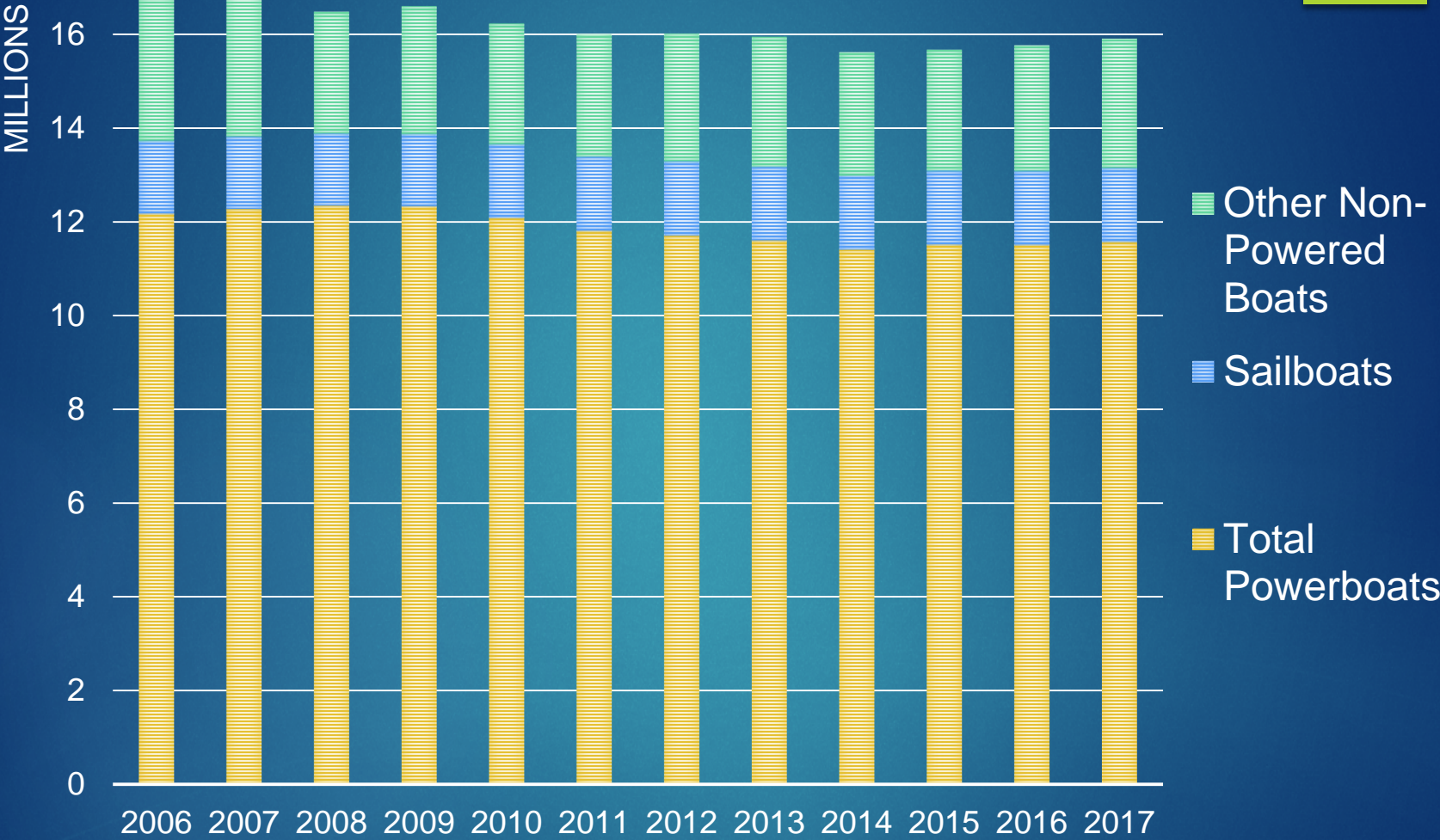
Opportunity



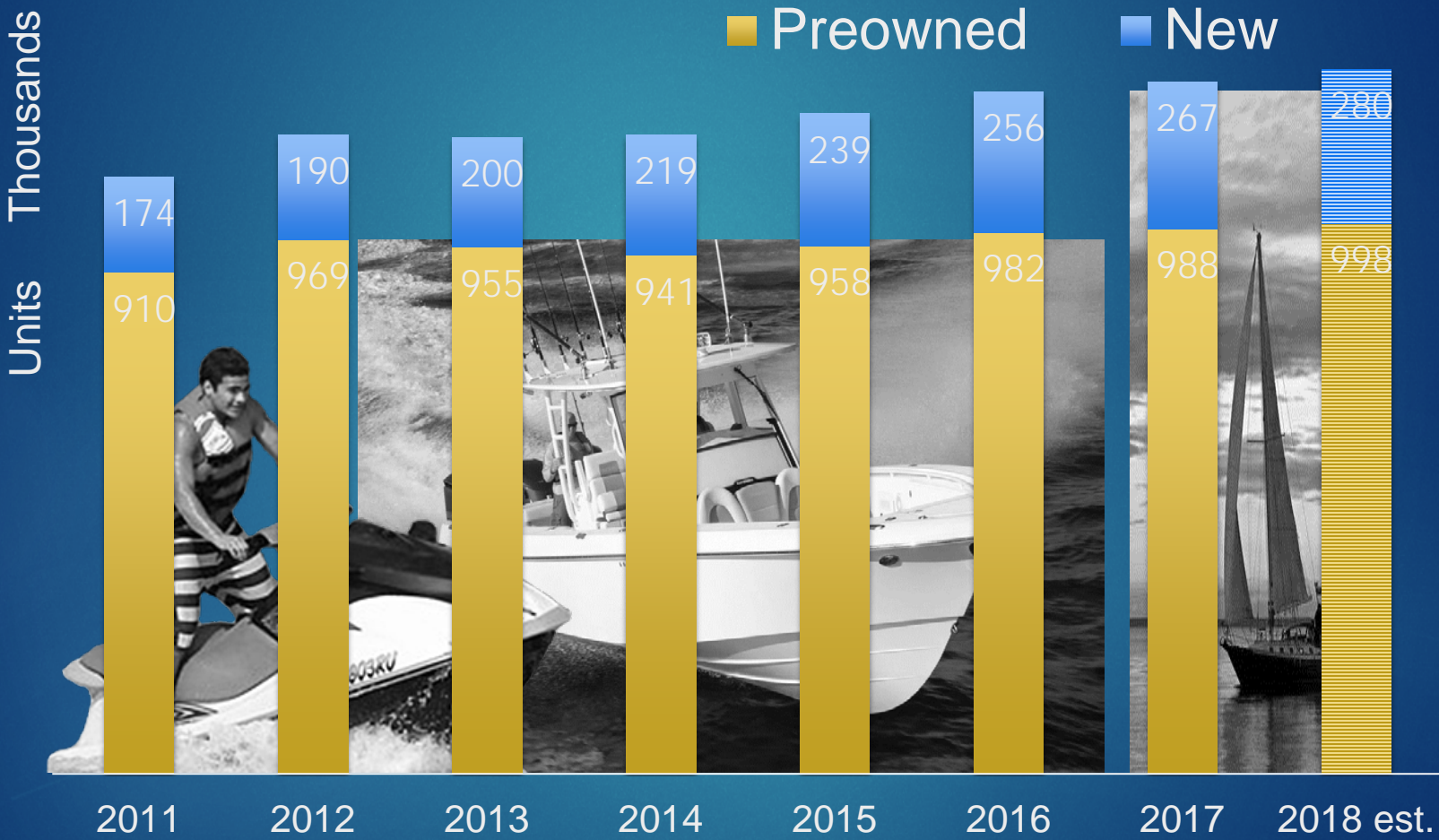
U.S. Boat Registrations



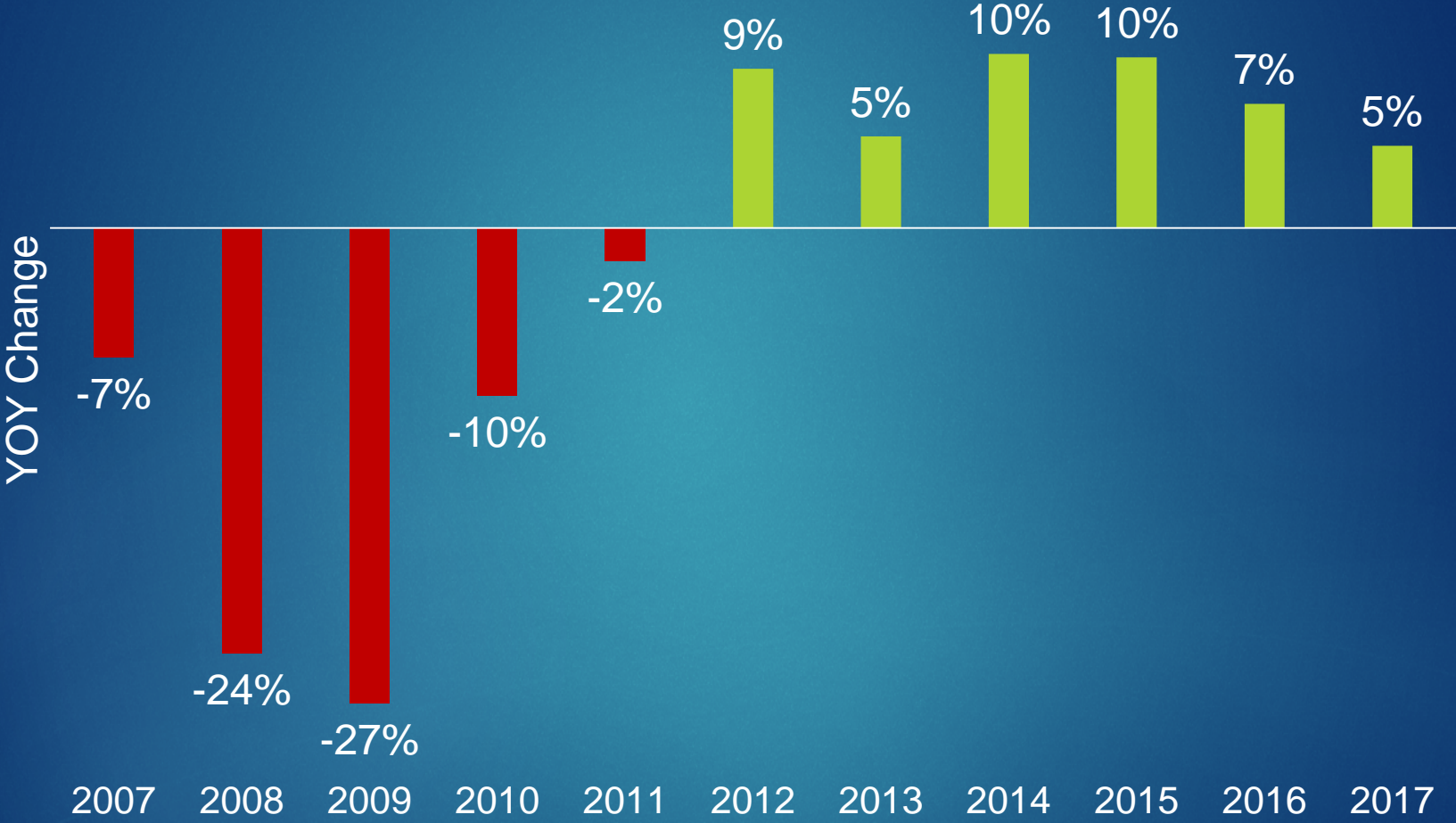
Boats In Use



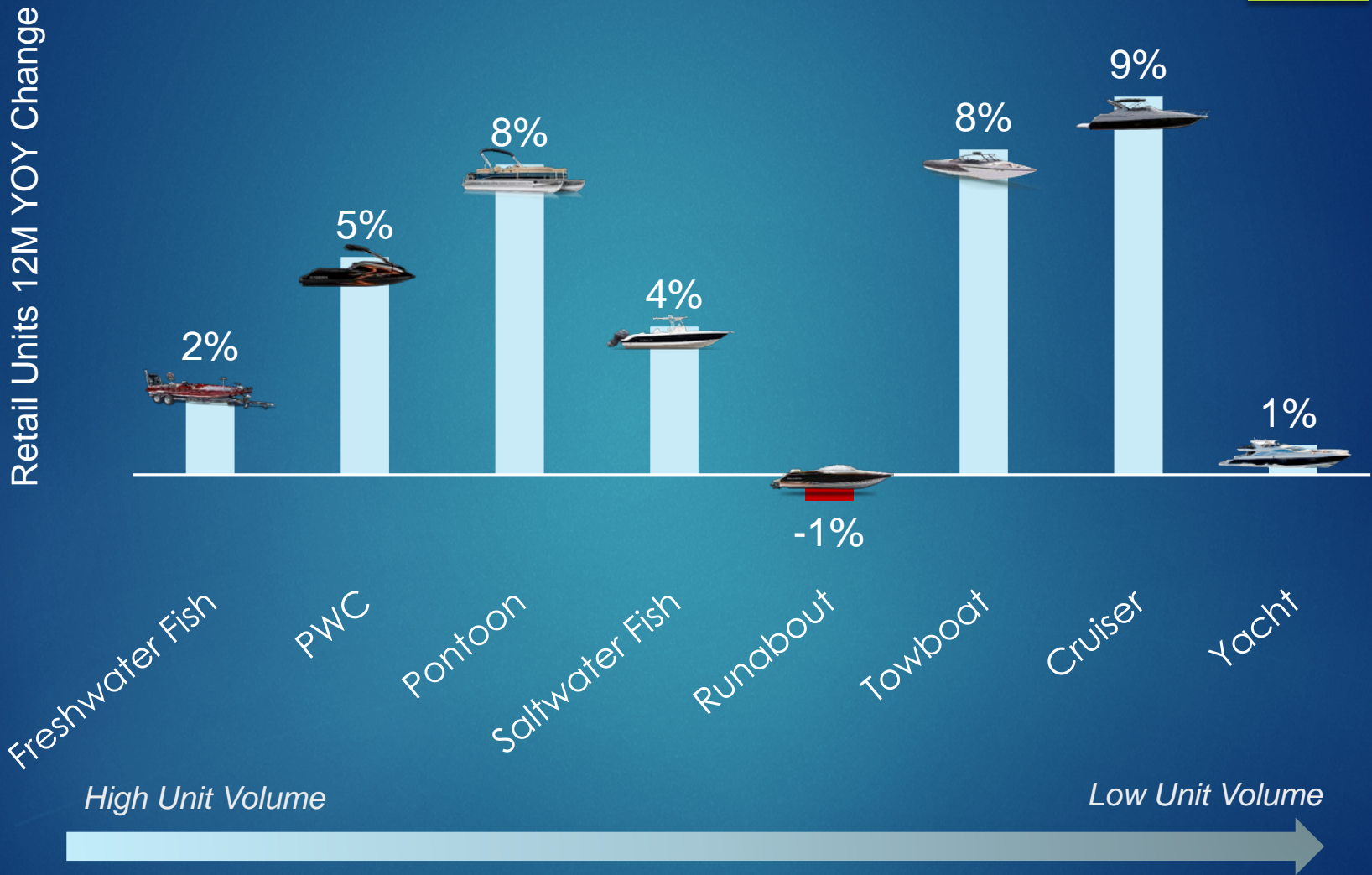
Powerboat, PWC, and Sailboat Sales, New Versus Pre-Owned



New Powerboat Retail Unit Sales



2017 Retail Unit Sales



What Boating Requires to Grow



Consumer Confidence



Housing Growth



Consumer Spending



Job Creation

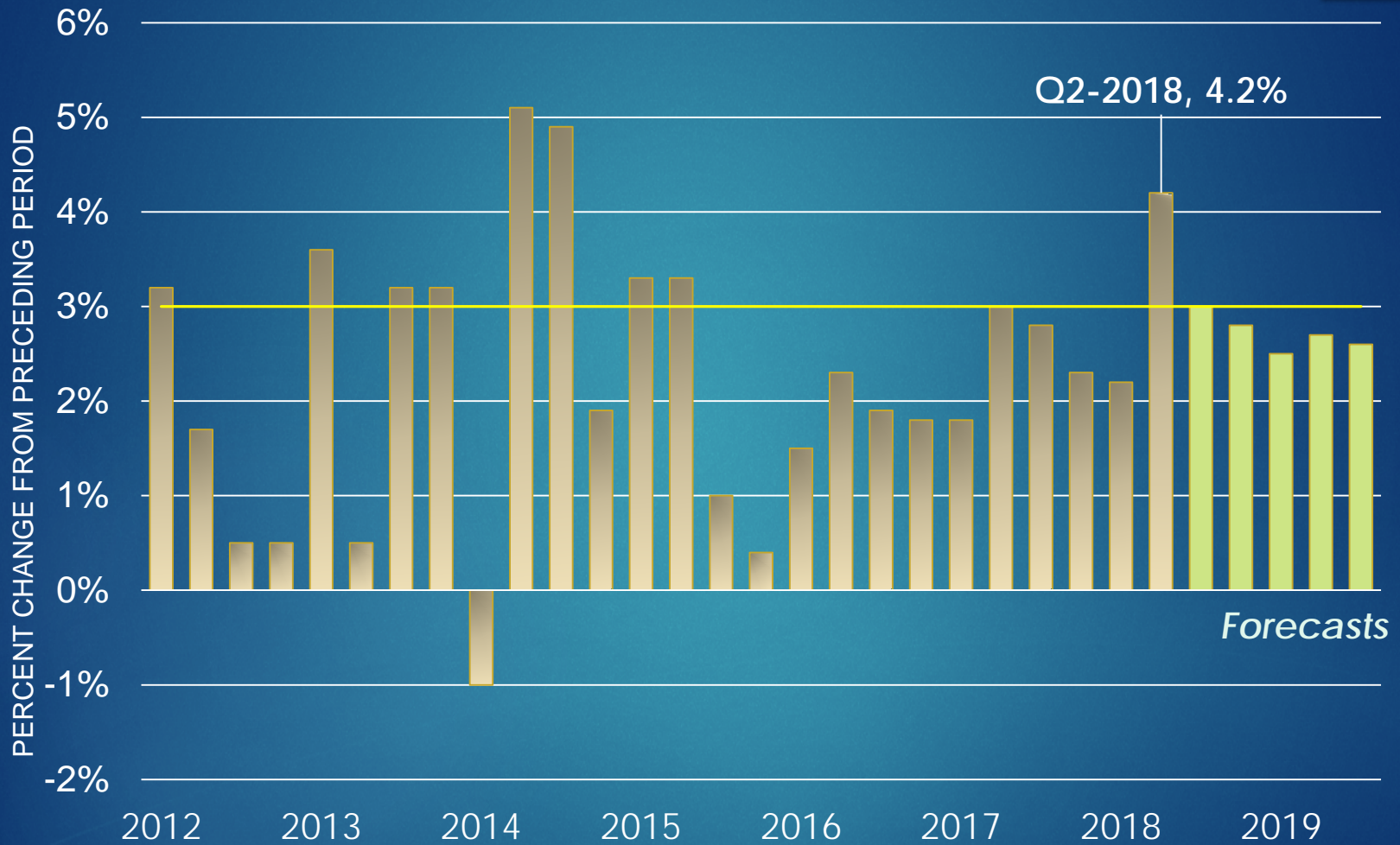


Healthy Economy

NMMA



Real GDP



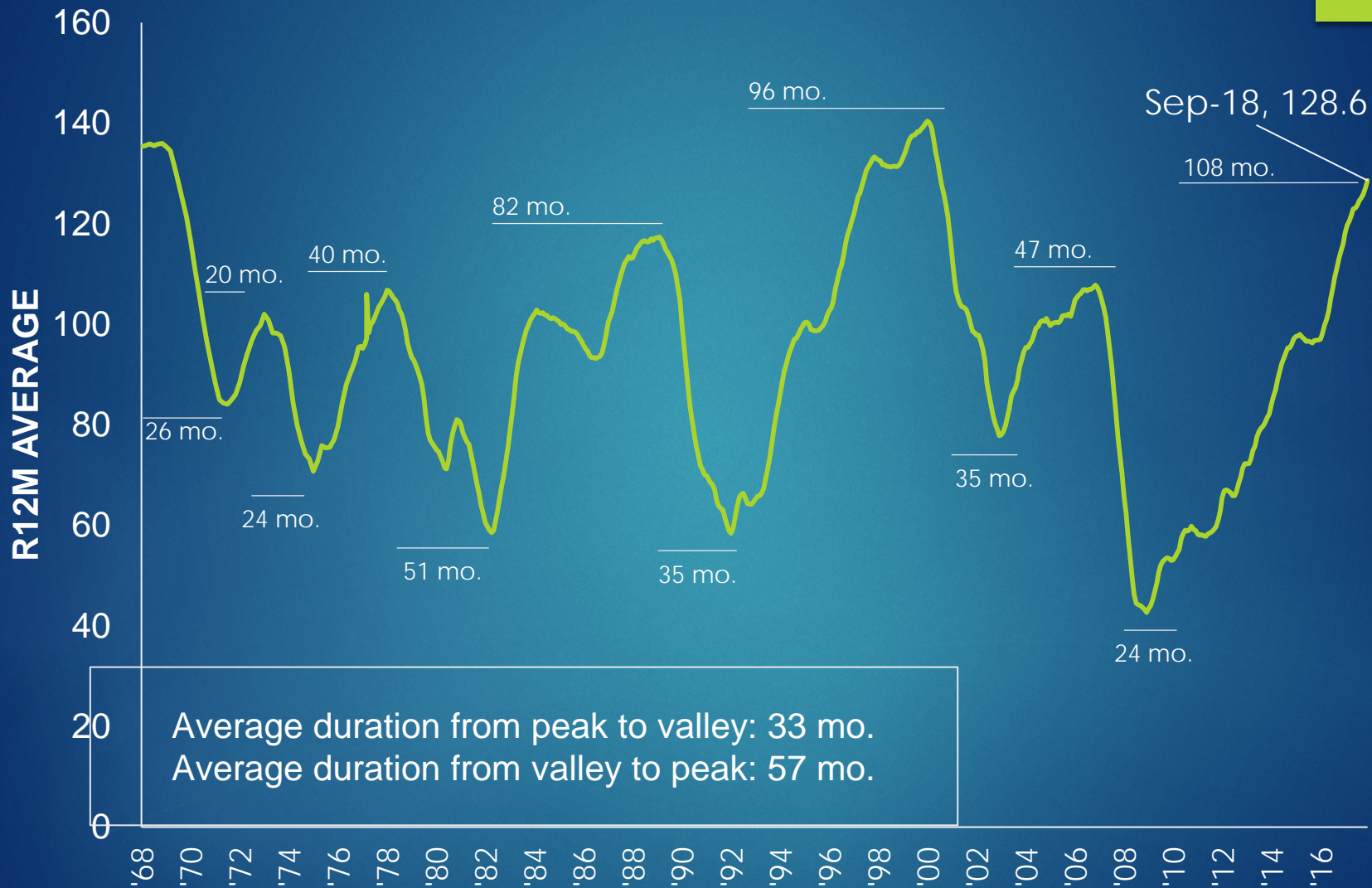
Unemployment Rate

3.8% - August 2018

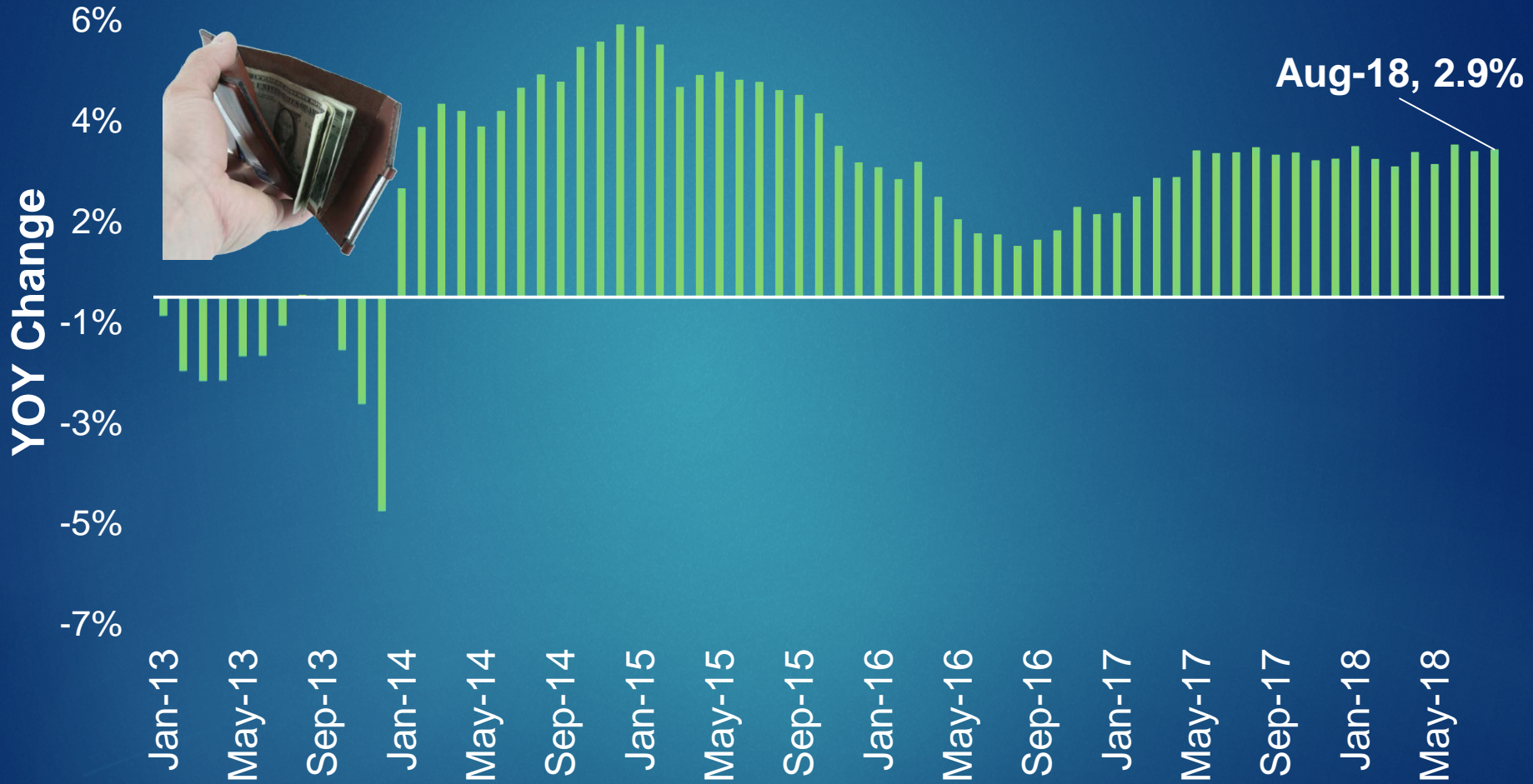


U.S. Job Creation

Consumer Confidence Index



Real Disposable Income

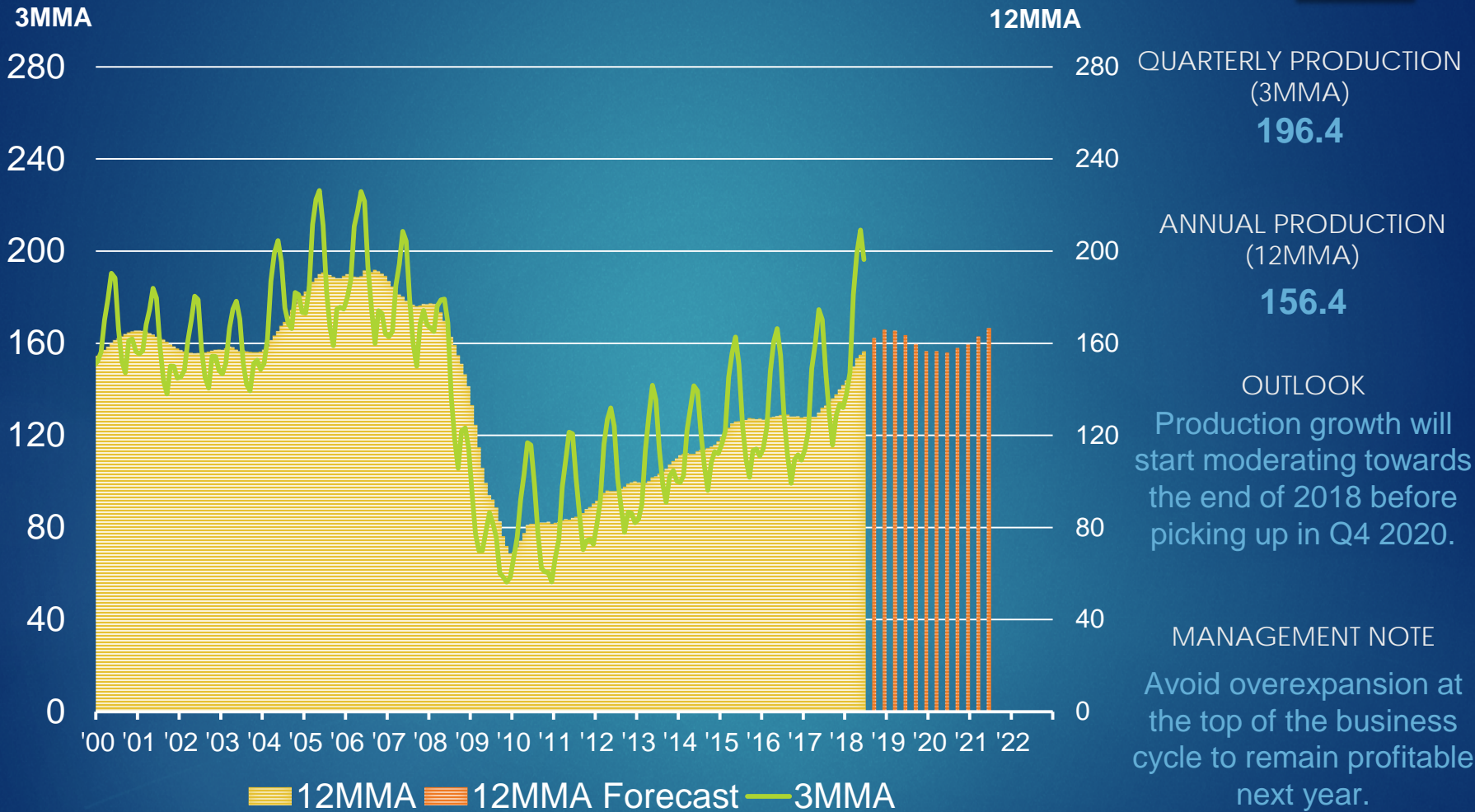


source: BEA

Consumer Spending



Wholesale Forecasts



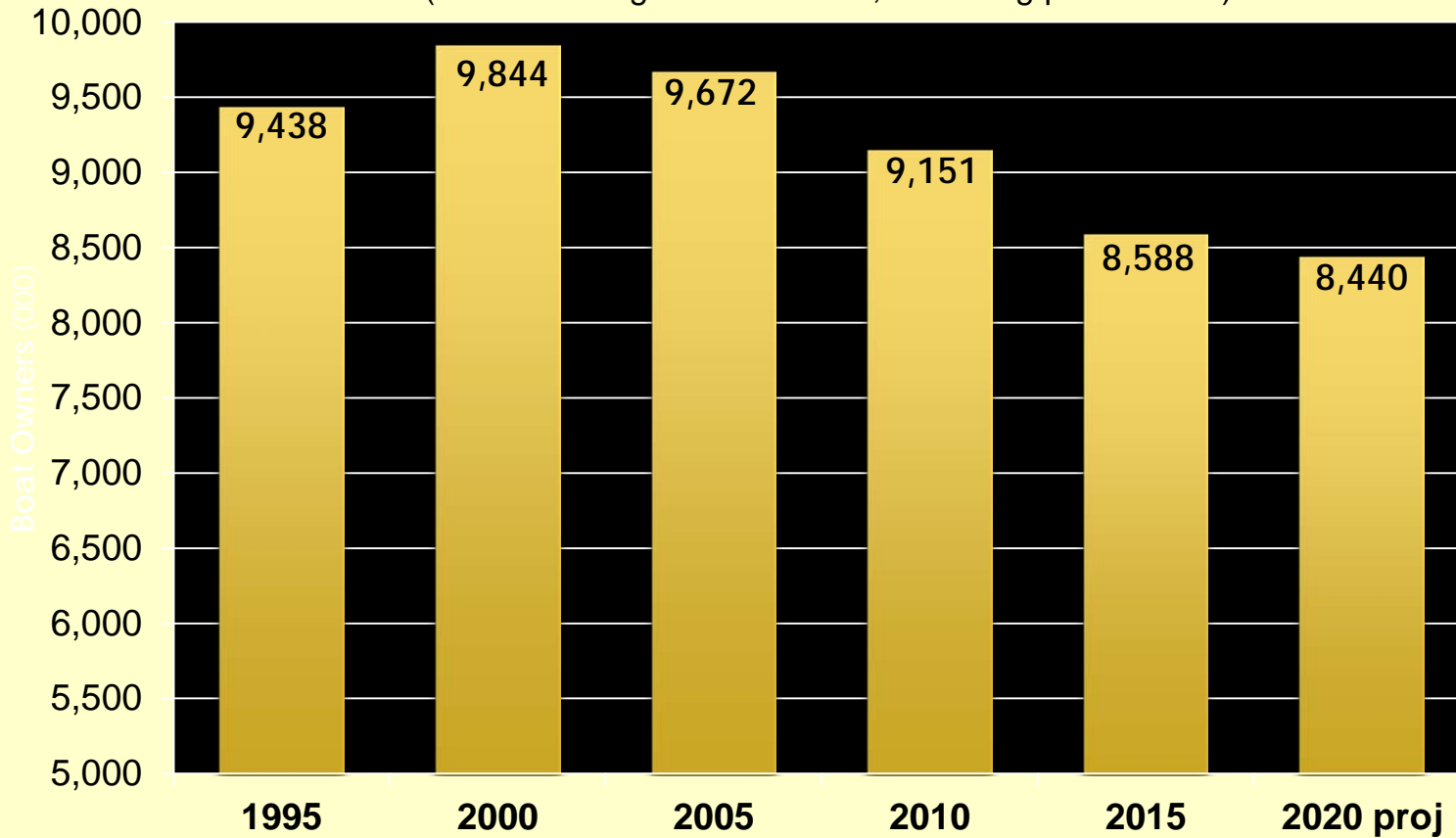
It's Smooth Sailing. What Do We Need to Worry About?



Despite our Success, Total Boat Ownership Continues to Slowly Decline

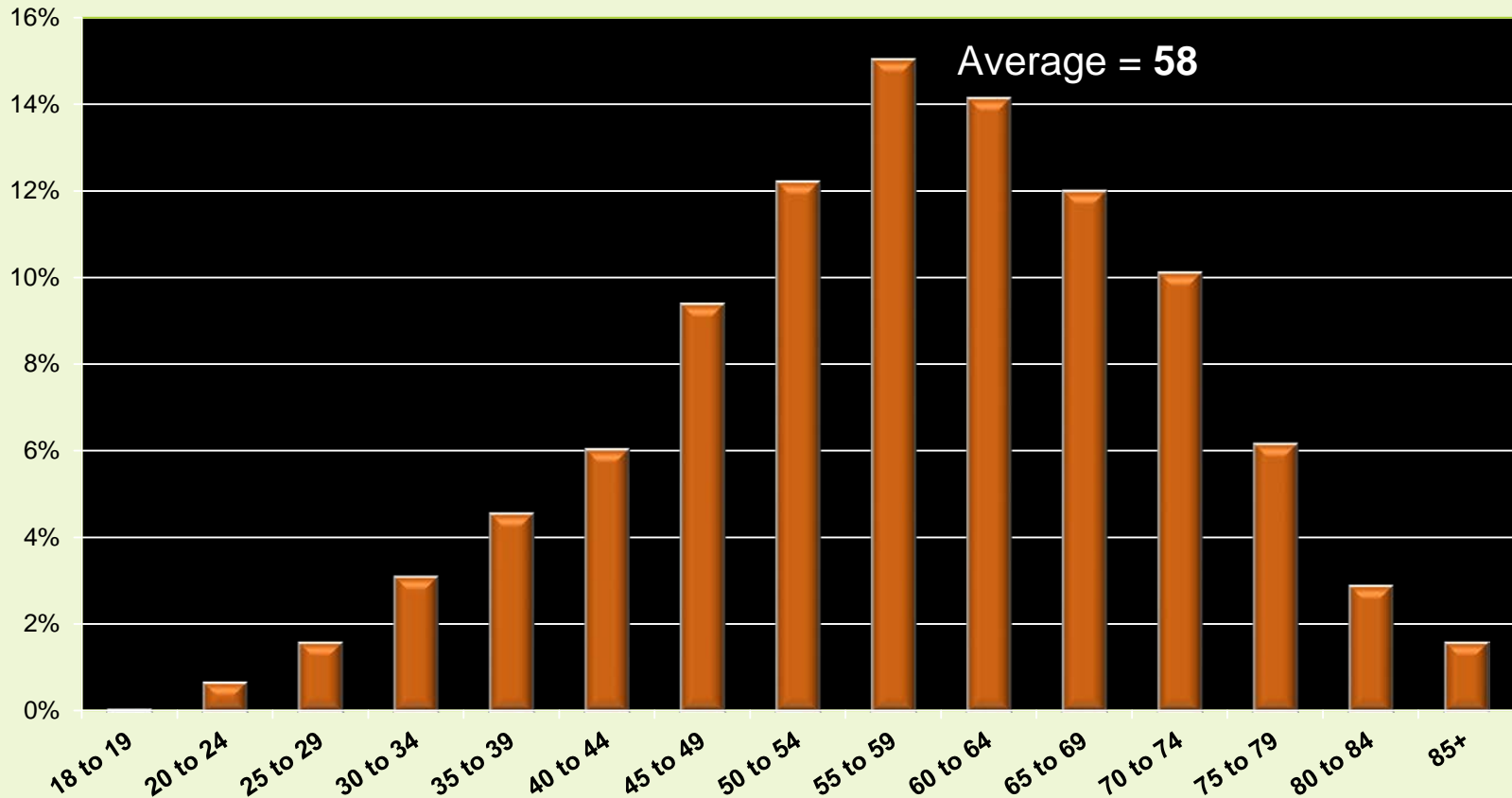
U.S. Recreational Boat Owning Households

(Owners of registered vessels, excluding paddle craft)



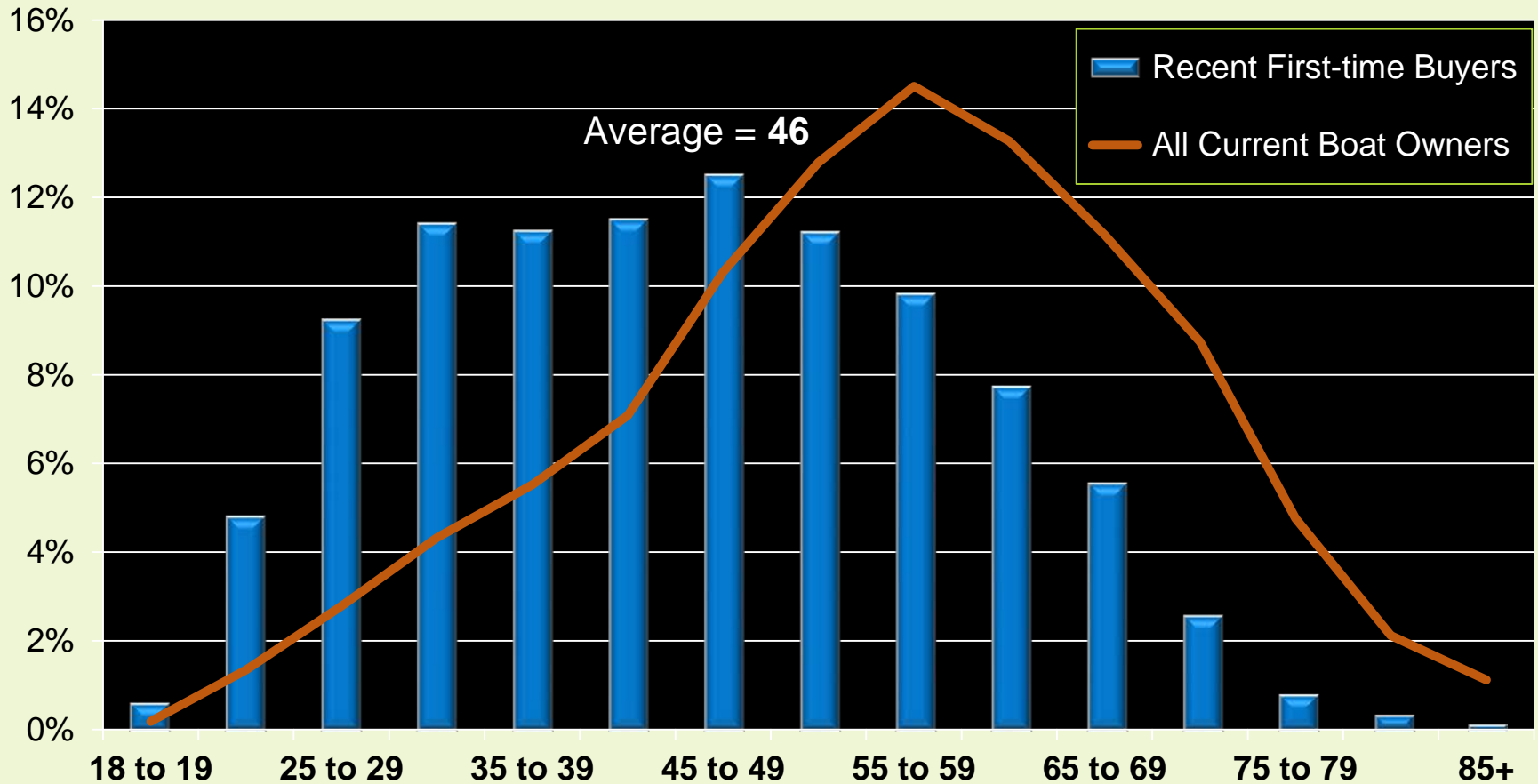
Demographics of Boat Owners

Boat Owner Age Distribution – 2018



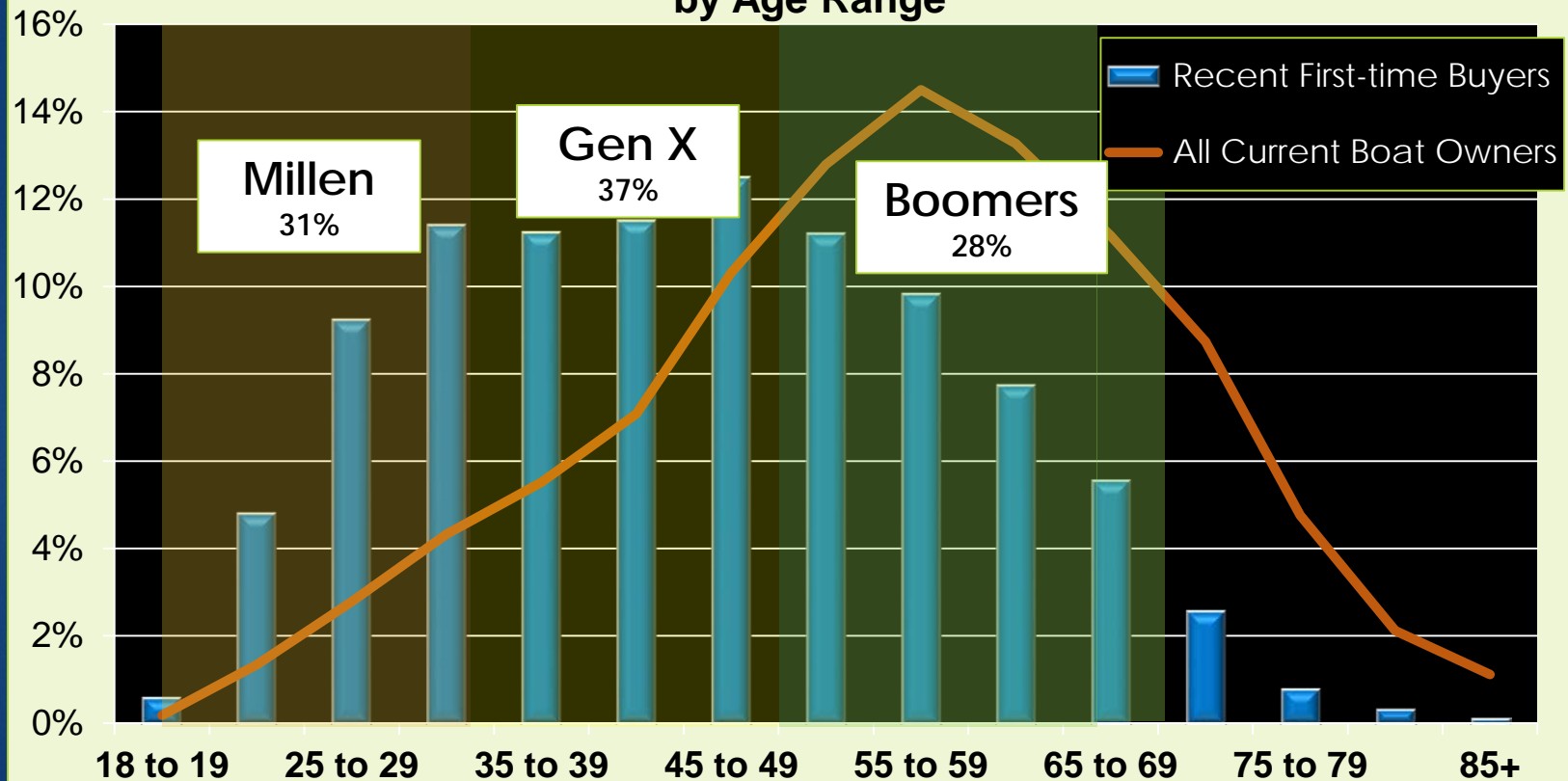
Demographics – Recent FTBB

Recent First-Time Boat Buyers vs. Current Boat Owners by Age Range



Demographics – Recent FTBB

Recent First-Time Boat Buyers vs. Current Boat Owners by Age Range



Boaters without a Boat: Gen X & Millennials



- Potential is huge, even just among people who grew up boating
 - 20 million boat owners over the past two decades most of whom had, on average, 2.5 children each
- Plus, there are millions of “lapsed” boaters



The Next 20 Years

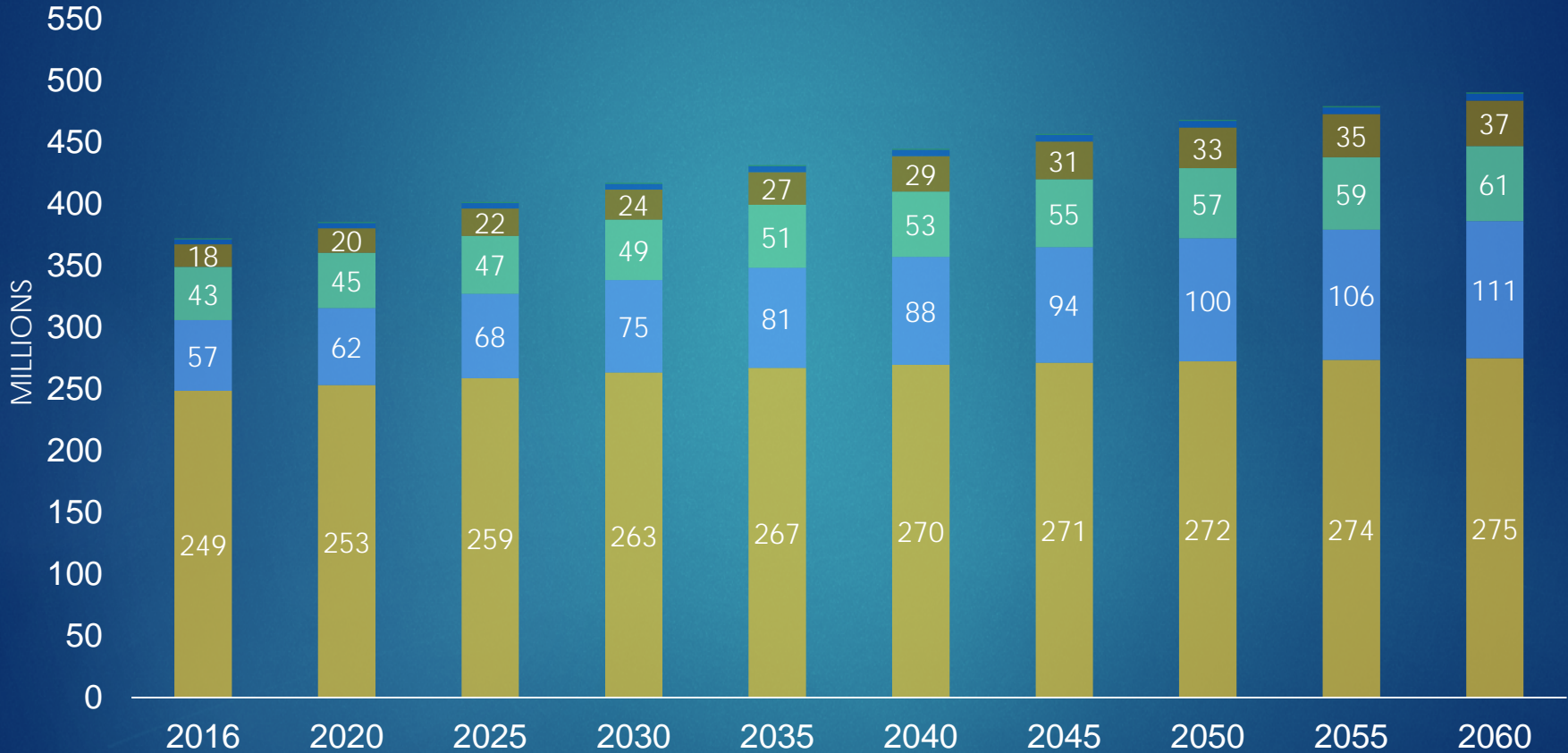
Looking Ahead to 2038



We Must Be Change Leaders, Not Followers

Projected U.S. Pop. by Ethnicity

- White
- Black / African American
- American Indian / Alaska Native
- Hispanic / Latino
- Asian
- Native Hawaiian / Pacific Islander



Baby Boomers, Gen X & Millennials



In 20 years:

- ▶ Youngest Baby Boomer will be 74 and oldest will be 95
- ▶ Youngest Gen X will be 58 and oldest will be 73
- ▶ Youngest Millennial will be 42 and oldest will be 57

Gen X & Millennials



- ▶ Grew up online, do most shopping online.
- ▶ Value-focused
- ▶ Concerned about the environment
- ▶ Demand sustainable goods, corporate social responsibility
- ▶ “Delayed” life milestones

Where We Are Today

- ▶ Fairly resistant to change.
- ▶ But change we must!



Where We Are Today

- ▶ Product Focused
- ▶ Sales Focused

We Are Too Product Focused



RV Industry Focuses on the Lifestyle



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THE POSSIBILITIES**
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No matter how you choose to spend your time or your money, the Quantum fits your needs.

Where We Need to Go



- ▶ In the next 20 years we must sell the experience
- ▶ Stronger marketing orientation
- ▶ Stronger Digital orientation
- ▶ Focus on creating a pipeline of future customers

Where We Need to Go



- ▶ Bring a younger generation to boating
- ▶ The Millennial generation is the most diverse in history!
- ▶ We can't attract a younger audience without attracting a more diverse audience
- ▶ We must evolve and meet our future customers now

Where Do We Start?

- ▶ Learn from the research and marketing done by industry consumer campaigns
- ▶ Use the free marketing resources at GrowBoating.org



Where Do We Start

- ▶ Ensure adequate boating and fishing access
- ▶ Get involved politically



May 13-15, 2019
NMMA.org/abc



Impacts on Boating Industry at Every Level of Government

What's in our fuel?
How does trade impact our business?



Are boat ramps accessible?
In need of a trained and skilled workforce?

Where we can fish?
How are boats registered and titled?

Where Do We Start?



- ▶ Focus on sustainability
- ▶ Find ways to recycle end of life boats
- ▶ Design for recycling
- ▶ Engage with NMMA

We Can't Afford to Wait

Take action today to ensure our industry is still thriving in 20 years.

Change Leaders Will Thrive

There is a bright future for those who change, adapt and address these challenges.



Thank You!