

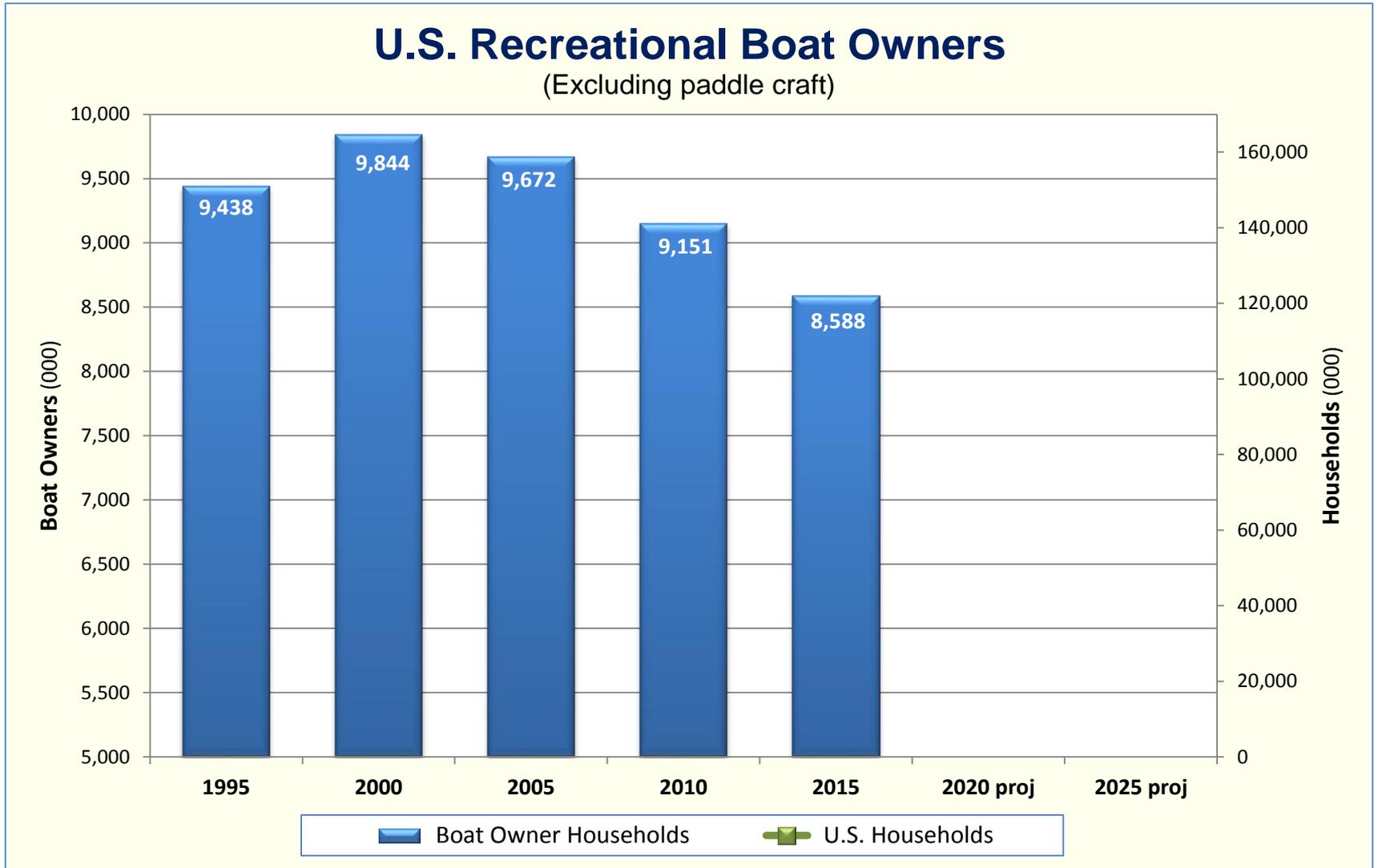
The Challenge Ahead

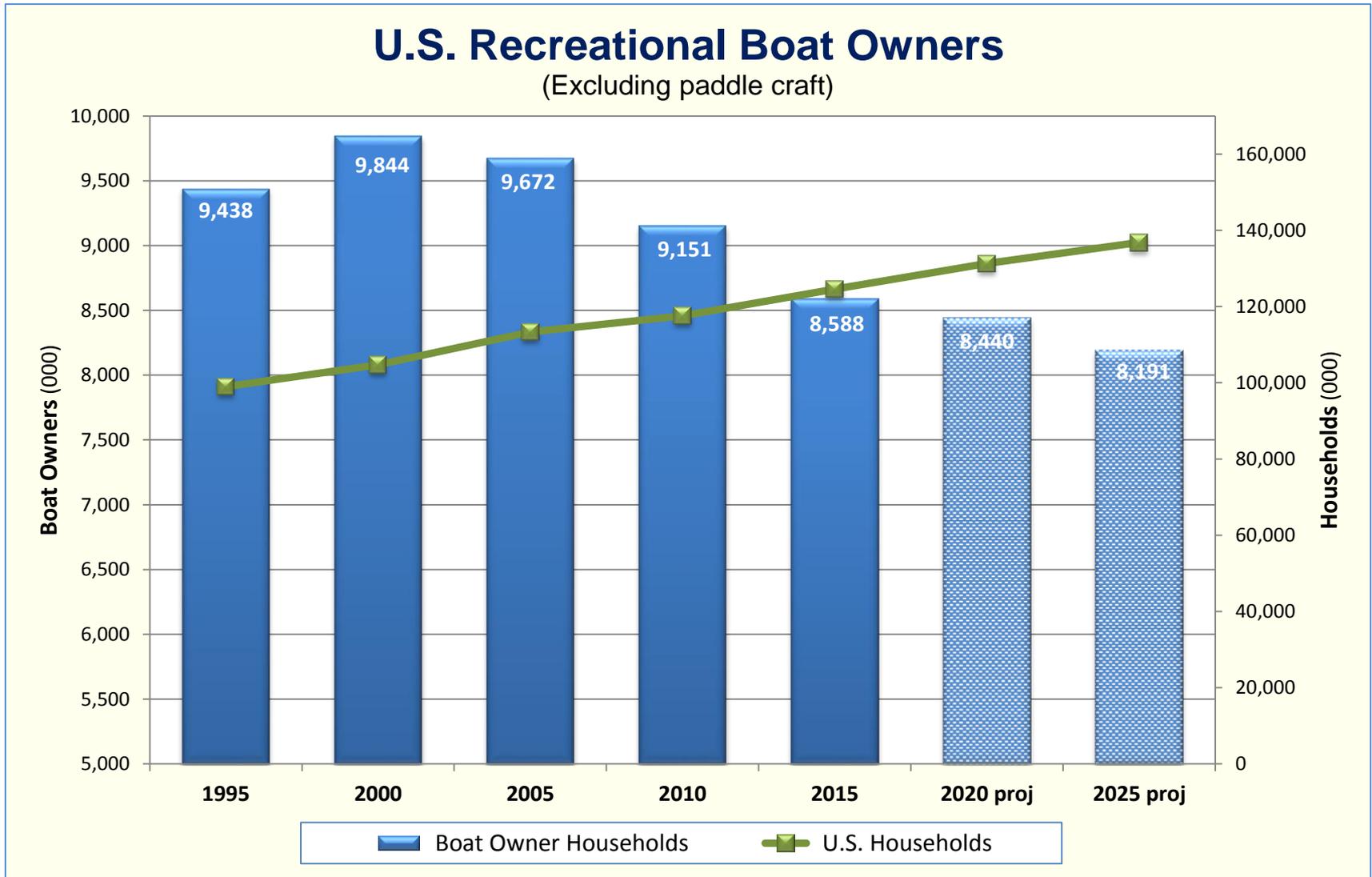
Grow Boating Marketing and
Research Summit

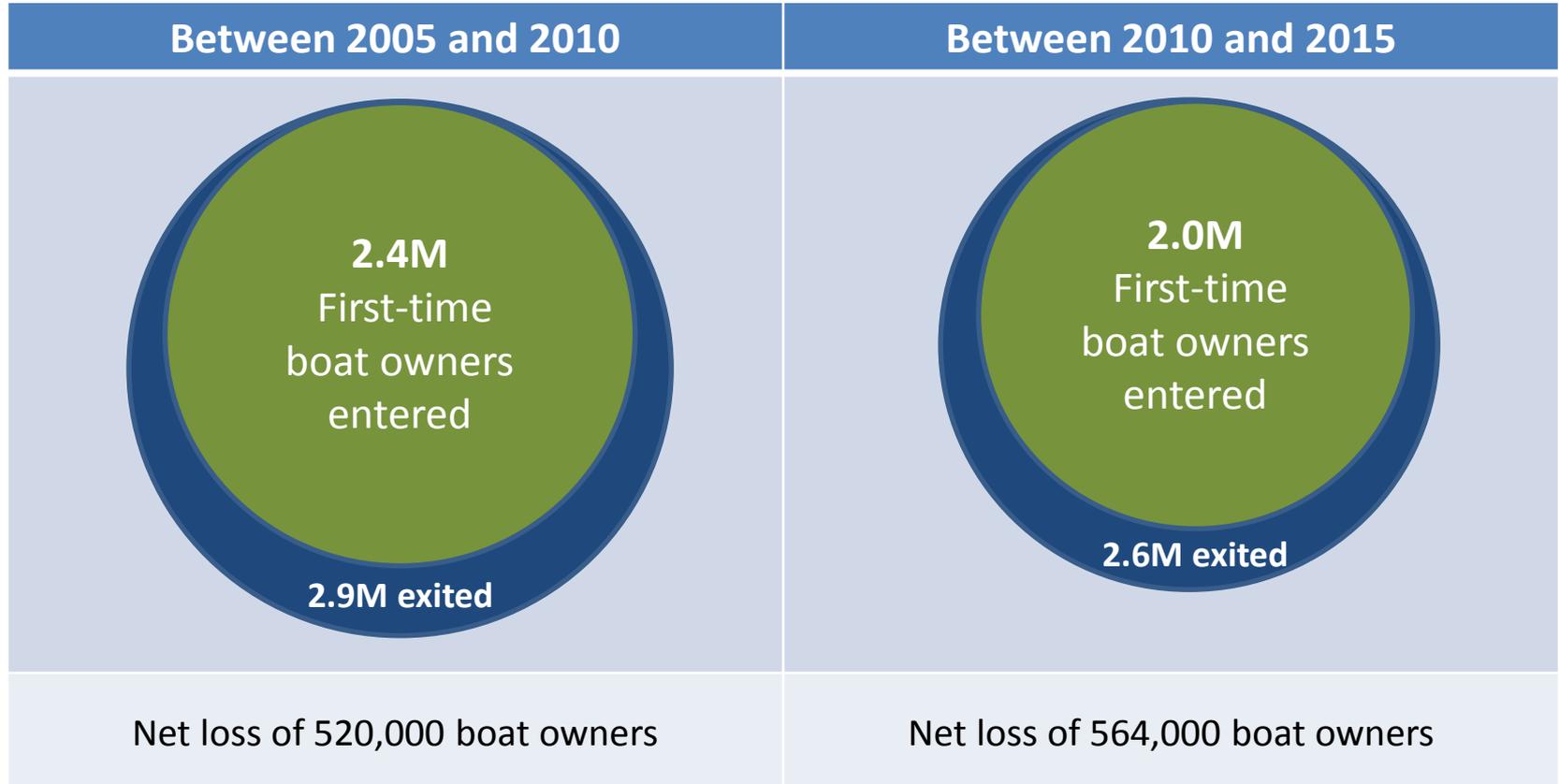
September 18, 2017



Oooops, slight miscalculation

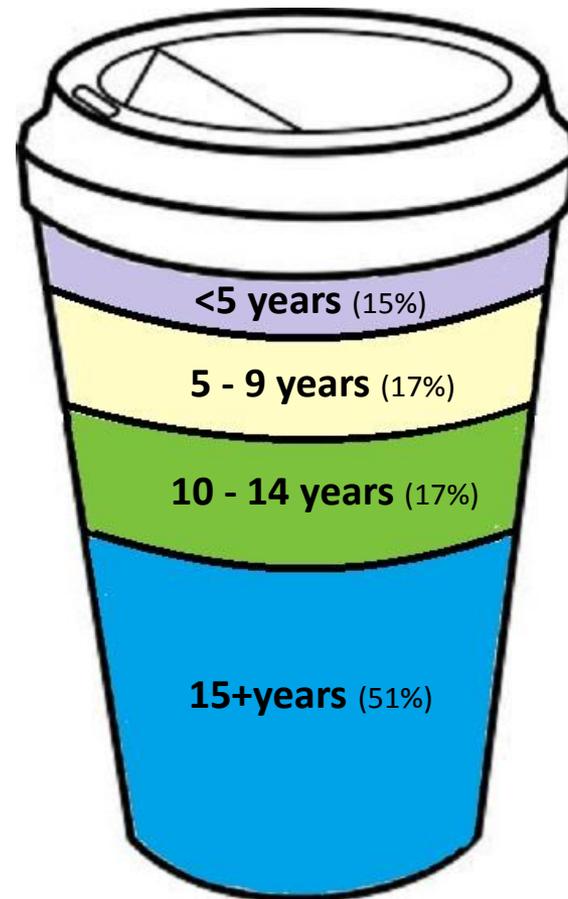




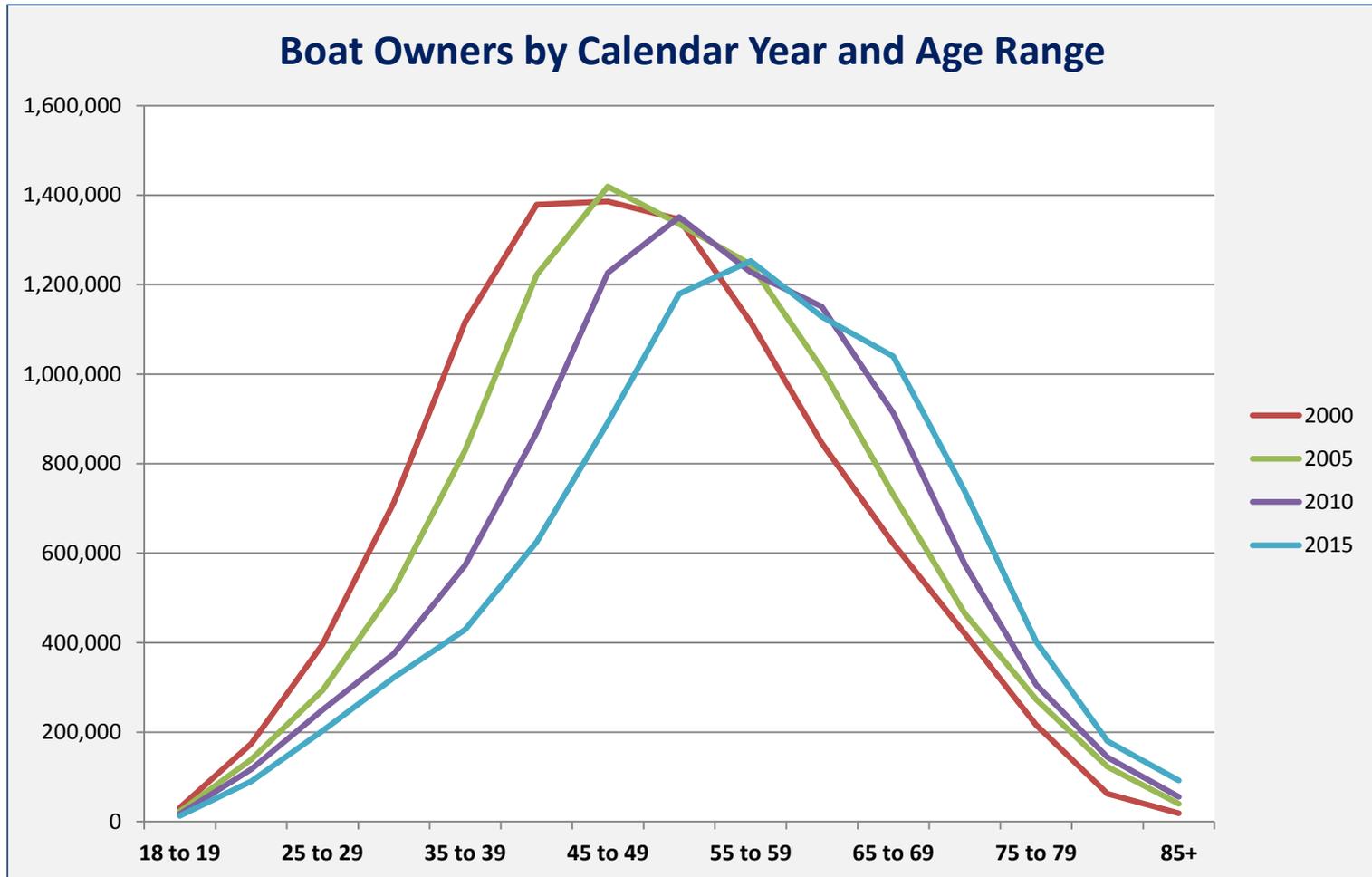


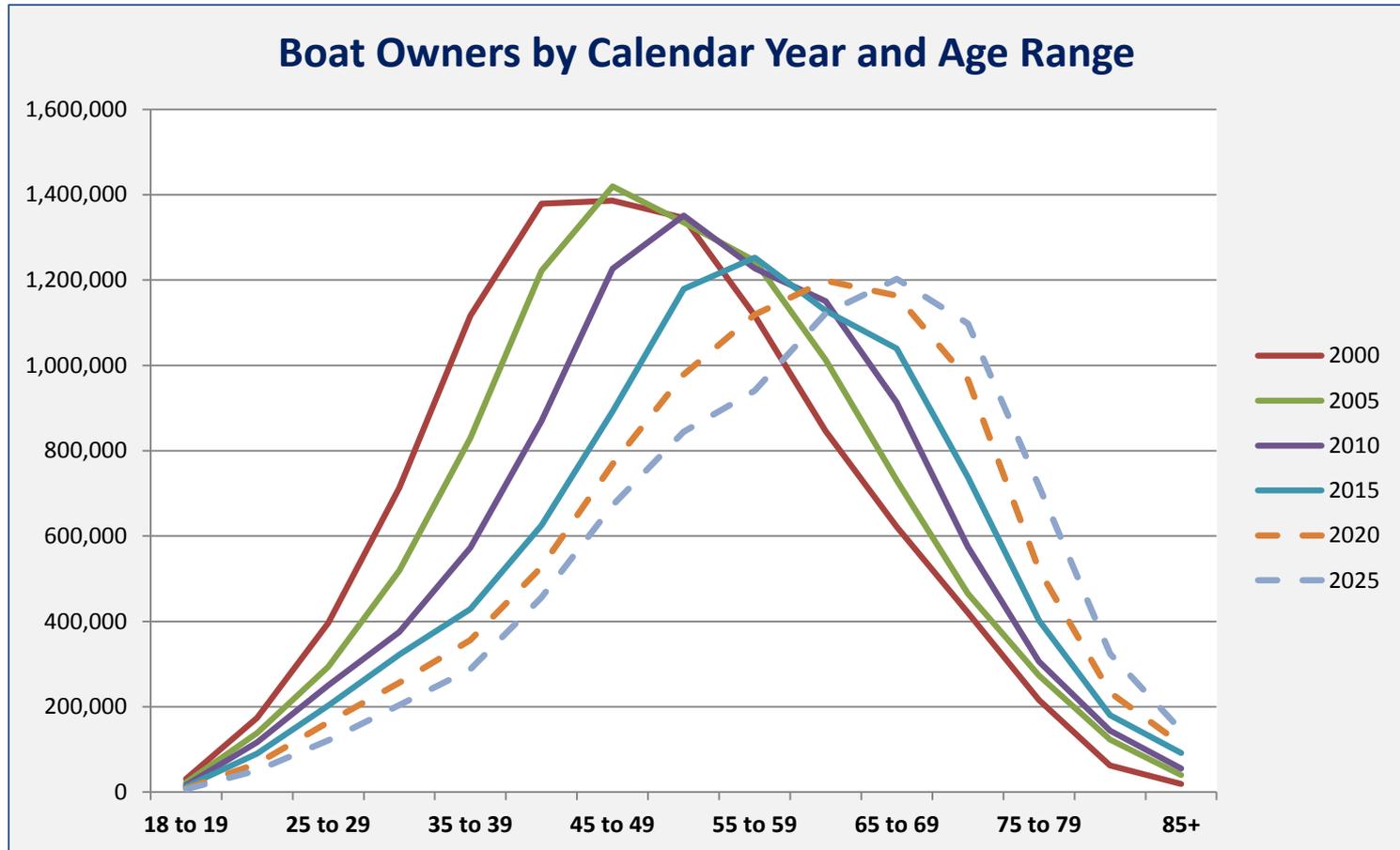
Current (2016) boat owners

**Number of years since
first boat purchase**



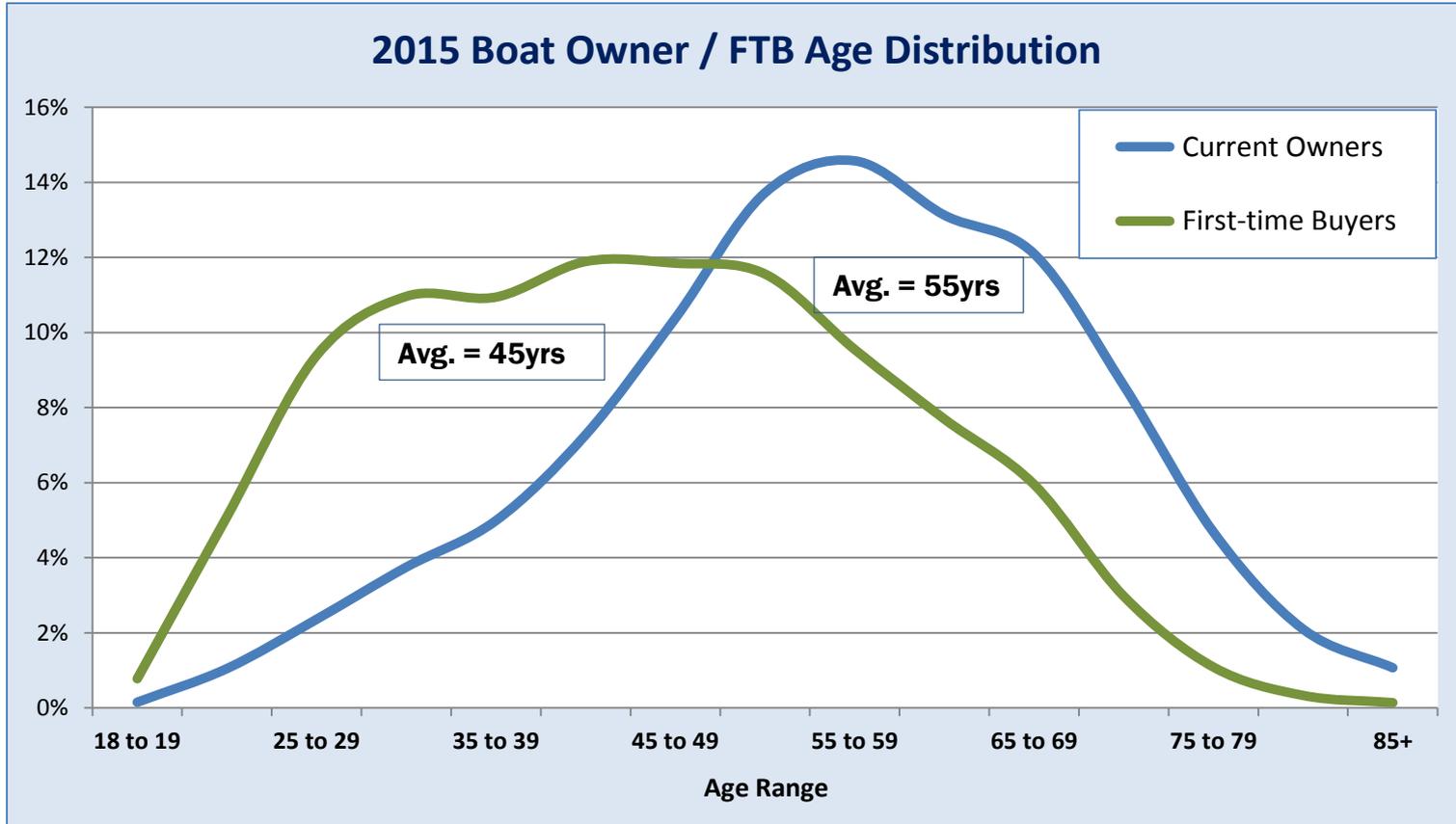
While most boaters will do so as long as they are able, the boating population is aging rapidly



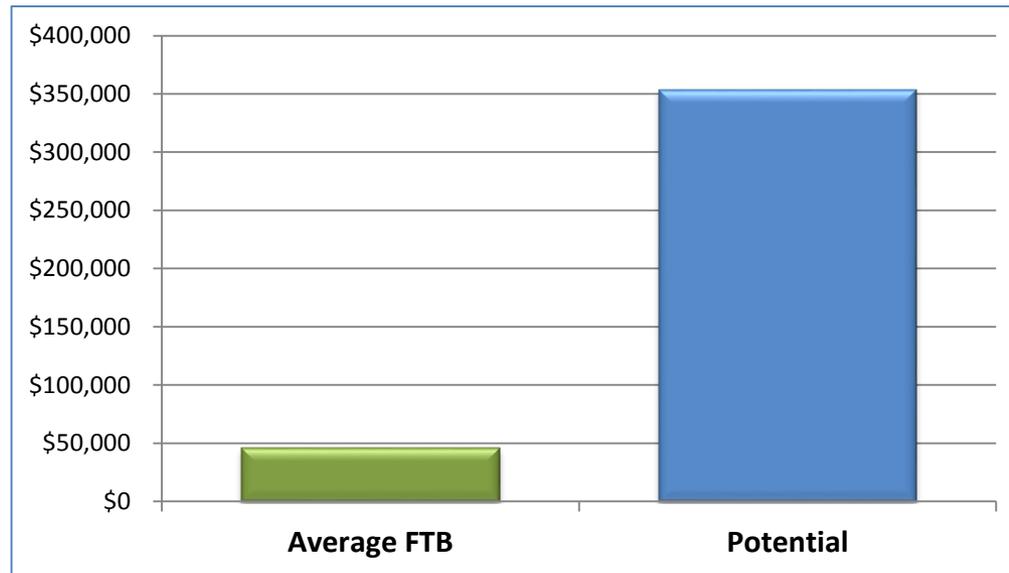


First-Time Buyers				
Year	New Boats	Pre-owned Boats	Total	% of All Boat Buyers
2000	175,000	458,000	633,000	42%
2005	149,000	415,000	564,000	40%
2010	55,000	364,000	419,000	37%
2015	69,000	328,000	397,000	33%

The earlier we can catch them the better



	Years of Boating	Lifetime Value *
Average first-time buyer	10	\$45,772.59
Potential (assumes a lifetime of boating)	50	\$353,563.17



* Based on NMMA's 2015 annual boating expenditure estimate of \$4,180 per boat owner and assumes a 2% annual increase in spending.

2005 Buyers Current Ownership Status by Buyer Type

Buyer Type	Still	
	Own	Sold
First Time Buyer	29%	71%
Repeat Buyer	33%	67%
Grand Total	31%	69%

2005 Buyers Retention Rate - First Time vs Repeat Buyers

Buyer Type	Left	
	Purch Another boat	Boating
First Time Buyer	27%	73%
Repeat Buyer	49%	51%
Grand Total	38%	62%

2005 First Time Boat Buyers Retention Rate by Boat Type

BOAT_TYPE	Purch Another Boat	Left Boating
Cruiser	27%	73%
Freshwater Fish	29%	71%
Pontoon	28%	72%
PWC	26%	74%
Runabout	26%	74%
Sail	23%	77%
Saltwater Fish	27%	73%
Tow Boat	26%	74%
Yacht	28%	72%
Other	29%	71%
Grand Total	27%	73%



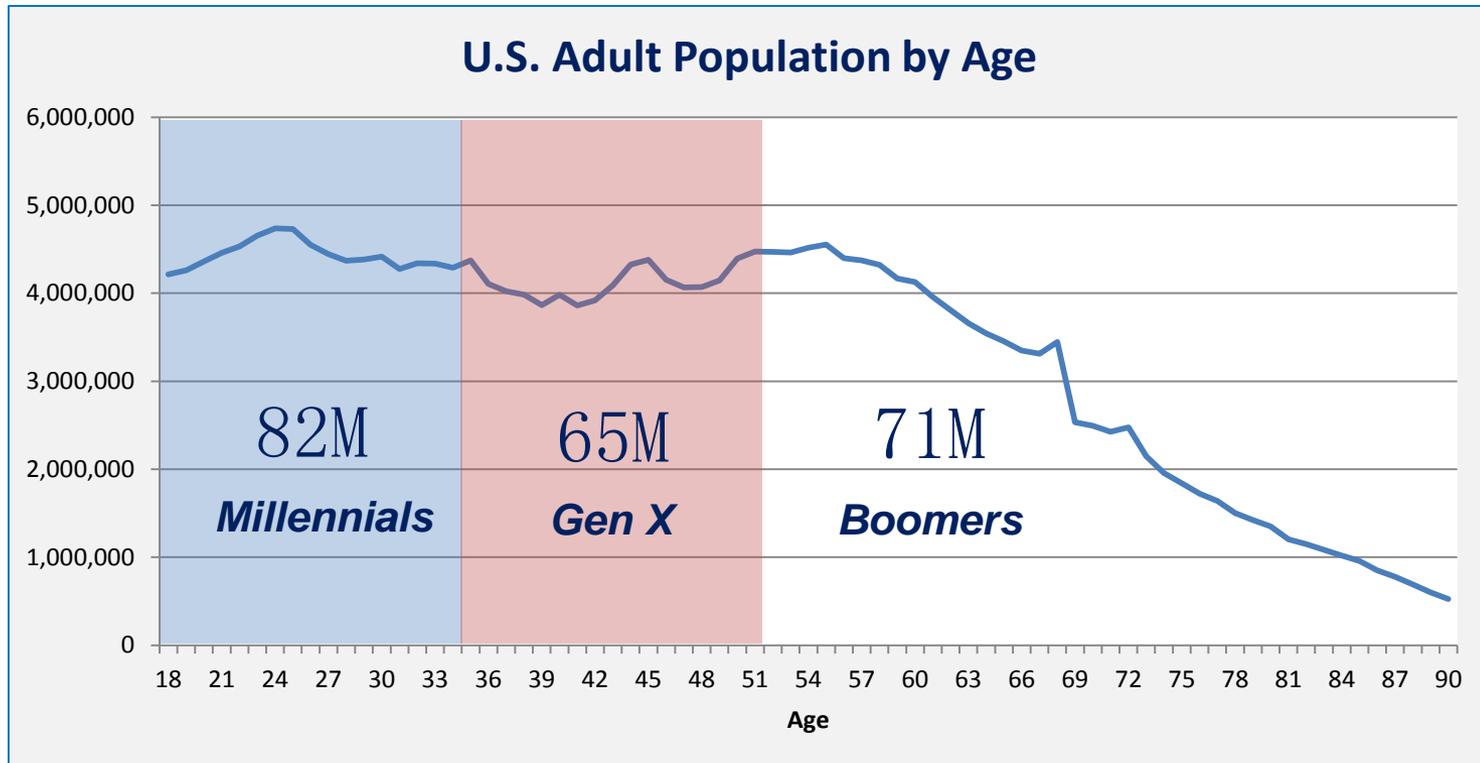
Retention and Defection

2005 Buyers and Current Ownership Status				2005 First Time Buyers Retention Rate by Purchase Type			
Buyer Type	PURCH_TYPE	Current	Sold		Purchased	Another	Left
				PURCH_TYPE	Boat	Boating	
First Time Buyer	NEW	42%	58%	New	26%	74%	
First Time Buyer	PRE-OWNED	24%	76%	Pre-Owned	28%	72%	
Repeat Buyers	NEW	45%	55%	Grand Total	27%	73%	
Repeat Buyers	PRE-OWNED	26%	74%				
Grand Total		31%	69%				

First Time Buyers by Purchase Year and Sale Year			Years from Purchase Sold												
PURCH_YEAR	Current	Sold	< 1 Yr	1 - 2 Yrs	2 - 3 Yrs	3 - 4 Yrs	4 - 5 Yrs	5 - 6 Yrs	6 - 7 Yrs	7 - 8 Yrs	8 - 9 Yrs	9 - 10 Yrs	10 - 11 Yrs	11 - 12 Yrs	12 Yrs
2005	29%	71%	7%	10%	9%	9%	7%	6%	6%	5%	4%	4%	3%	2%	
2006	32%	68%	8%	10%	9%	9%	7%	6%	5%	4%	4%	3%	2%		
2007	34%	65%	7%	10%	10%	8%	7%	6%	5%	4%	4%	2%			
2008	38%	62%	8%	10%	10%	8%	7%	6%	5%	4%	3%				
2009	39%	61%	10%	11%	9%	9%	7%	6%	5%	3%					
2010	43%	57%	9%	10%	11%	9%	7%	6%	4%						
Grand Total	35%	65%	8%	10%	10%	9%	7%	6%	5%	4%	3%	2%	1%	0%	

- We are not alone..millennials are reshaping (and in some cases killing) entire industries
 - Beer
 - Motorcycles
 - Golf
 - College Sports
 - Cars
 - Vacations
 - Fitness
 - Loyalty Programs
 - The list goes on and on

There are a lot of them



[20 million boat owner households with children]

$$\begin{aligned}
 & / \left[1 + \frac{\alpha}{\pi p^2} \int_0^\infty dk \frac{k^2 F(k; \xi)}{k^2 + \mathcal{M}^2(k; \xi)} \left\{ a(k, p) \left[-\xi \left(1 - \frac{k^2 + p^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| \right) \right] \right. \right. \\
 & + b(k, p) \left[2(k^2 + p^2) \left(1 - \frac{k^2 + p^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| \right) - \xi \left(k^2 + p^2 - \frac{(k^2 - p^2)^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| \right) \right. \\
 & \left. \left. - c(k, p) \left[2 \left(1 - \frac{k^2 + p^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| \right) - \xi \left(1 - \frac{k^2 - p^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| \right) \right] \right\}, \frac{\mathcal{M}(p; \xi)}{F(p; \xi)} \right] \\
 & = \frac{\alpha}{\pi} \int_0^\infty dk \frac{k^2 F(k; \xi)}{k^2 + \mathcal{M}^2(k; \xi)} \left\{ a(k, p) \mathcal{M}(k; \xi) \left[(2 + \xi) \frac{1}{kp} \ln \left| \frac{k+p}{k-p} \right| \right] \right. \\
 & + b(k, p) \mathcal{M}(k; \xi) \left[\frac{2(k^2 + p^2)}{kp} \ln \left| \frac{k+p}{k-p} \right| + 2(\xi - 2) \right] \\
 & \left. + c(k, p) \left[\frac{(2 + \xi)k^2 + (2 - \xi)p^2}{2kp} \ln \left| \frac{k+p}{k-p} \right| + (\xi - 2) \right] \right\}
 \end{aligned}$$

X ~2.5 million children / HH = **44.6 million**

- They have embraced the “sharing economy” and inspired new services that provide access to products and experiences without having to own



- They are digitally intertwined and electronically dependent
- Still, by all indications, **they like boating and almost everything it has to offer!**

- Continue catering to the needs of our base and help them to remain in boating as long as possible
- Find ways to identify and increase the number of participants (not just millennials)
- Find ways to remove obstacles between consideration and purchase
- Determine if there is anything specific that we can do to increase retention rate/reduce churn among first time boaters
- Recognize and prepare for the fact that boating may be consumed differently than we are used to