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We all have to get behind 2011 Grow Boating rebirth

Posted on June 28th, 2010 Written by [Wanda Kenton Smith](#)



When Thom Dammrich came to Orlando, Fla., in early June to report on the state of the industry, he brought with him some welcome news – Grow Boating appears to be on its way back.

Speaking at an event hosted by the Marine Industries Association of Central Florida, Dammrich presented figures documenting the astonishing success of the marketing/ad campaign before it was suspended – figures that reinforced my concerns over the decision to shut it down when the recession caused boat sales to plummet.

I was terribly disappointed in October 2008 when I learned that the 85 percent portion of Grow Boating manufacturer assessments had been diverted from the collective campaign fund and redirected to individual manufacturers for retail marketing to benefit dealers as each saw fit.

While this might have seemed necessary at the time, I feared the funds would simply be absorbed into the companies' bottom lines, and few would actually apply the money toward retail marketing and promotions. I believe my original suspicion was correct, because I haven't seen evidence of any major retail marketing initiatives launched in the last 18-plus months – at least nothing on any broad scale.

In late April, the Marine Retailers Association of America board of directors approved a motion asking that the funds be restored to Grow Boating. That was a great move by the association, and it apparently got results. I was thrilled to learn from Dammrich that the National Marine Manufacturers Association board voted to halt the redirection of these funds beginning July 1, and that the remaining 15 percent of the assessments, which has funded a successful viral marketing, Web site and PR campaign orchestrated by the NMMA, will continue through Dec. 30.

In the interim, the Grow Boating board has created new funding and agency search task forces. The goal is to gain approval this fall for the launch of a new 2011 Discover Boating consumer program.

When Dammrich shared the performance results of the initial consumer Discover Boating campaign, I was dumbfounded. Was I hearing this for the first time? Why hadn't these results been more pronounced and better promoted?

Maybe the constant flow of bad news about the economy just dominated the headlines, or perhaps we

were just all so preoccupied with saving our own businesses that we failed to comprehend the success that was right there in the statistics. In case you hadn't heard, or failed to perceive the significance of the news, the campaign fueled the documented sales of 19,267 boats. In addition, some 17.6 percent of those who requested and received a Discover Boating DVD bought boats – 69 percent buying used and 31 percent buying new – an excellent return on investment. Consider also that sales continued to take place on the cusp of the economic downslide, breaking against the tide, and it adds even more validation to the Grow Boating strategy.

In hindsight, why did we forsake the long-term funding commitment and virtually stop the marketing momentum dead in its tracks when it was obviously working? And why is marketing always the first to take the big budget hit when times get tough? We all know that without sales and marketing, nothing happens. Gloom and doom become a self-fulfilling prophecy. For many in our industry – including 30 to 40 percent of our dealers – the dismal end has already come.

At this point, the decision to initially divert funds is history. No reason to point fingers or debate it, but let's learn from the blunder. As the Grow Boating task forces work to create new strategies, I believe they should consider permanent funding solutions.

We must remember that Grow Boating was established as a long-term strategy to increase boating participation, which had been in decline for a decade. It was never designed as a short-term advertising campaign, which is what it became when the bulk of the funding was yanked.

Everyone needs to get on board, have skin in the game and remain committed. We can't afford to jump ship every time we encounter a storm. To those who claim ownership of the funding contributions, remember that by design those costs are ultimately passed on to the consumer. And, finally, for naysayers who question the investment, study our own industry's recent proven results: It works! Borrowing a term from Regal Marine Industries president Duane Kuck, we need "co-opertition" – we must cooperate, even though we're all in competition – for the good of the industry. By working together, boating can grow ... and win.

Looking forward, Dammrich reminded the group that boating remains a \$30 billion business and 2009 finished with a slight upward trend. Other positive signs he cited were that used boat sales were up 6 percent last year; consumer confidence is on the rise and spending is back on track; and both RV sales and light vehicle sales – which historically lead boat sales – are trending positive.

The outlook for the balance of 2010 projects wholesale boat sales up 60 percent, flat at retail, with a much-improved field inventory position by year's end. The major challenges ahead are the expected increase in new-boat costs because of unavoidable engine emission requirements and, in my opinion, the lack of available wholesale and retail financing, all of which are major impediments to sales.

While a marked recovery may not begin to manifest itself until 2011, the feeling is we've just begun to turn the corner. With a renewed commitment to Grow Boating in the works and what I hope will be widespread industry support, there's only one way to go from here.

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In addition to hearing Dammrich's assessment of industry conditions, the Central Florida audience got a good look at what one very smart company can do to strategically support sales and help its dealers in today's new environment. The session was held at the world headquarters of Regal Marine Industries and featured a tour of Regal's new factory showroom.

What a showroom! Wow – 26 boats, ranging from small runabouts to a boat show dock flanked by big cruisers up to 52 feet – were all professionally displayed in an air-conditioned environment with a backdrop of waterfront murals, dressed to impress with fully decorated cabin interiors and island music in the background. The showroom is in operation Monday through Saturday, and the management staff rotates duty shifts, including Saturdays. It's a major commitment and a first-class operation.

Regal has taken a monumental leap forward in creating this innovative sales showcase, which it promotes as a “partnership” with its dealers. Visitors taking the manufacturing tour complete lead sheets and receive official “boarding passes,” so if someone walks in off the street or registers online – which they do – the dealer immediately is notified. This is not a factory-direct sales program; dealers are encouraged to bring or send customers for the plant tour that naturally winds up in the factory showroom, surrounded by the fleet of new boats ready for boarding. Advance arrangements can also be made for sea trials on the 52-footer.

Besides direct mail to its customer database, Regal promotes its showroom via its Web site, ad campaign and PR channels. Nearly a thousand have taken the tour since its soft opening in late January, including dozens of pre-arranged families and groups – about half of them walk-ins and half who had made reservations.

With limited field inventory, vice president of sales Duffy Stenger says virtually all of the new orders for boats 42 feet and larger have occurred post-showroom. Not surprisingly, a handful of industry executives have also come to see this latest development firsthand, some openly and others more surreptitiously. I suspect we'll soon see similar initiatives throughout the country, and for good reason. It just makes sense.

“The day of the rising tide lifting all ships is over,” says Regal president Kuck. Although Regal is in strong financial shape, he and his top managers agree they need to actively help their dealers survive and thrive. Since financing problems and inventory are now such critical issues for dealers, the showroom concept has emerged as a winning solution.

No matter the industry sector, all of us can learn from Regal's example. We need to get creative and figure out what we can do to support our dealer networks and to promote sales at retail. And by all means, revitalizing Grow Boating would be one big step in the right direction.

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