Portrait of today's buyer

*t*his special report represents an unprecedented look at the most important person in the marine industry today: The boat buyer. To prepare it, *Boating Industry* partnered with Info-Link to analyze demographic data and socioeconomic characteristics from more than 28,000 consumers who've purchased a boat during the past two years. The objective was to look at distinct buyer groups important to the industry and identify distinguishing characteristics of each. We focused on first-time and repeat buyers among seven popular boat segments. The methodology used was a stratified sample (an approximately equivalent number of observations in each segment), so they are not meant to represent the entire market. This information is being shared to illuminate the customer base and help to refine marketing efforts.

- **Age Distribution**
- **Wealth Score** (Groups buyers into deciles, or ten equal parts, based on financial capability to buy)
- **Income Range**
- **Ethnicity**
- **Home Value**
- **Length of Residence**
- **Geographic Orientation**
- **Family Composition**
- **Life Stage Orientation** (Groups buyers into Springs: 18-24 years old, Summers: 25-44 years old, Autumns: 45-64 years old, and Winters: 65-plus years old)

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First-time vs. repeat buyers

First-time buyers are younger, less wealthy, more likely single and slightly more ethnically diverse than repeat buyers.

Length of Residence

→ Within this special report, our most striking finding involved the length of residence of first-time versus repeat buyers.

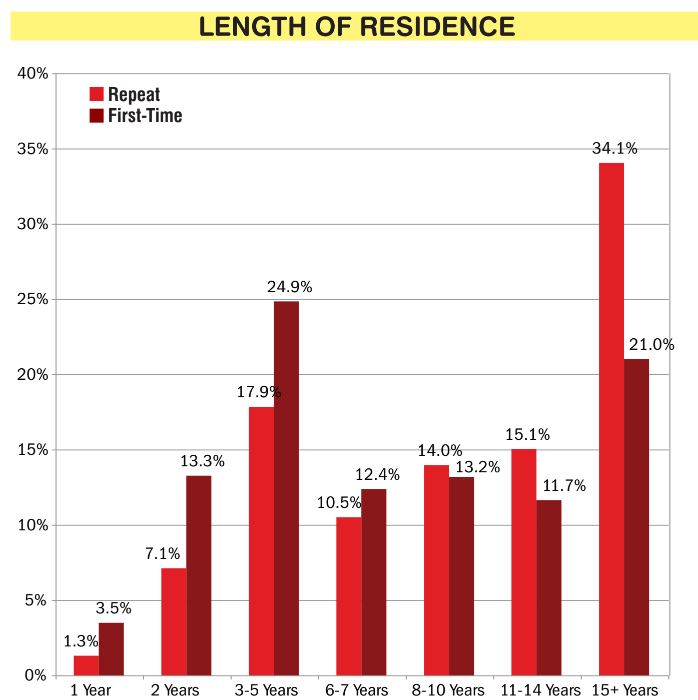
In the process of identifying distinguishing characteristics of the first-time boater, we found a very strong correlation between length of residence and the incidence of first-time boat purchases.

First-time boat buyers are far more apt to have moved to a new residence during the past few years. Our analysis showed that nearly 40 percent of all first-time boaters lived in their current residence for between two and five years compared to just 26 percent of repeat buyers. This finding was remarkably consistent across all boating segments, indicating that this characteristic is shared among first-time boaters irrespective of the boating activity in which they participate (fishing, waterski, general recreation, etc.).

Therefore, among other things, an important "marker" for first-time boaters is that they commonly have experienced a change in home environment.

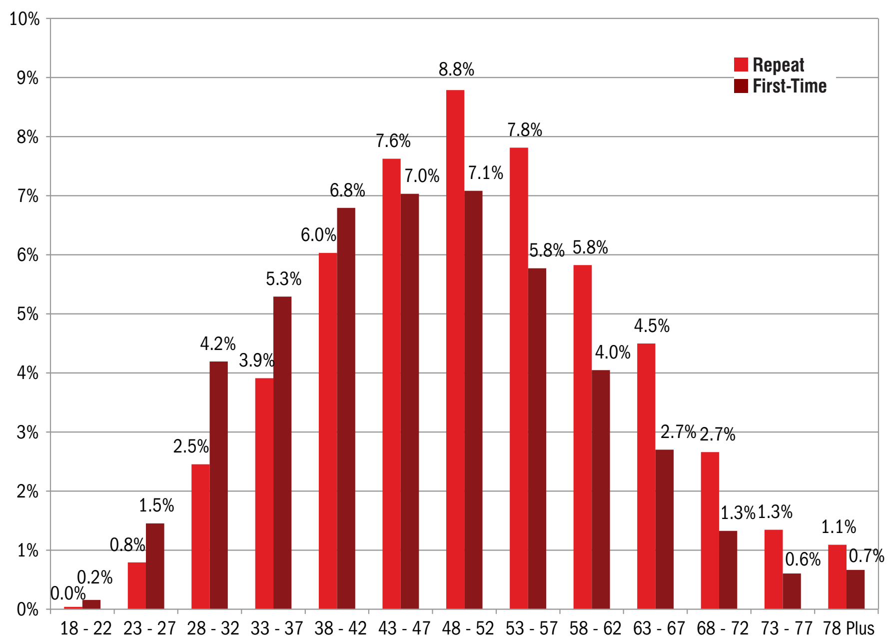
One possible explanation is that the change in environment exposes consumers to boating either by contact with other boaters or simply being present in a more visibly active boating community. However, we did note that for both first-time and repeat buyers, relatively few (2 to 3 percent) purchased boats within a year or less.

Intuitively, this would indicate that other priorities are more pressing, like establishing the household, home improvement, etc.



First-time vs. repeat buyers

AGE DISTRIBUTION



→ The proportion of first-time buyers between 23 and 42 is larger than repeat buyers, after which the composition reverses to favor repeat buyers. This, coupled with the fact that there are significantly more repeat than first-time buyers, is consistent with the aging of the boating population over time.

	Life Stage Orientation			
Household	Spring	Summer	Autumn	Winter
Couples	0%	4%	9%	4%
Families	1%	24%	35%	5%
Singles	0%	7%	8%	2%

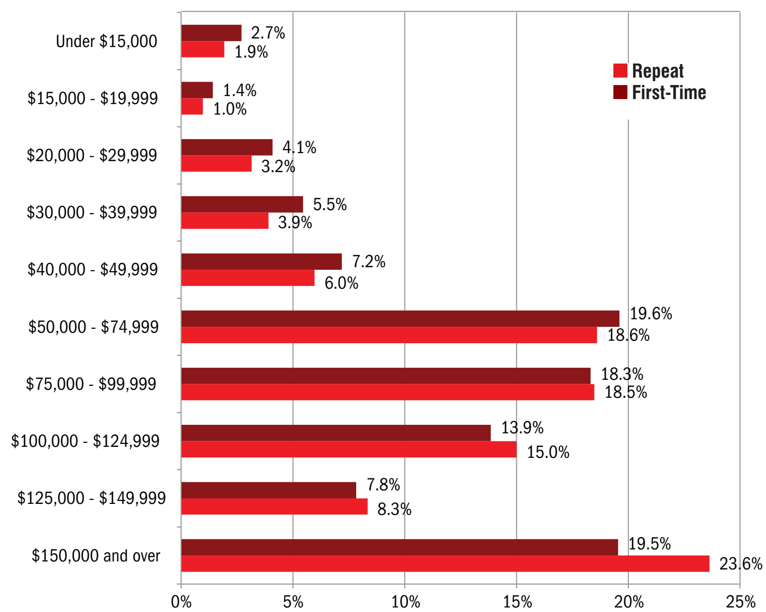
→ If you break buyers down into life stages, the sweet spot is families in the summer and autumn of their lives. First-time buyers are just as likely to buy in the autumn age orientation as they are summer. Repeat buyers are twice as likely to buy in the autumn orientation as in the summer. The number of children in each group breaks down roughly the same.

Age Distribution | Ethnicity | Geographic Orientation | Life Stage Orientation | Income Range

→ The vast majority of first-time and repeat buyers are Caucasian. In this report, that group is responsible for 86.6 percent of first-time sales and 88.9 percent of repeat sales. The two largest non-white ethnic groups represented are African American and Hispanic. Hispanic consumers make up 6.1 percent of first-time buyers and 4 percent of repeat buyers. African Americans make up 4.2 percent for both buying groups.

→ The geographic orientation of first-time and repeat boat buyers is fairly similar, with the majority of each group (about 53 percent) living in suburban areas. First-time buyers tend to be slightly more urban and repeat buyers tend to be slightly more rural.

INCOME RANGE

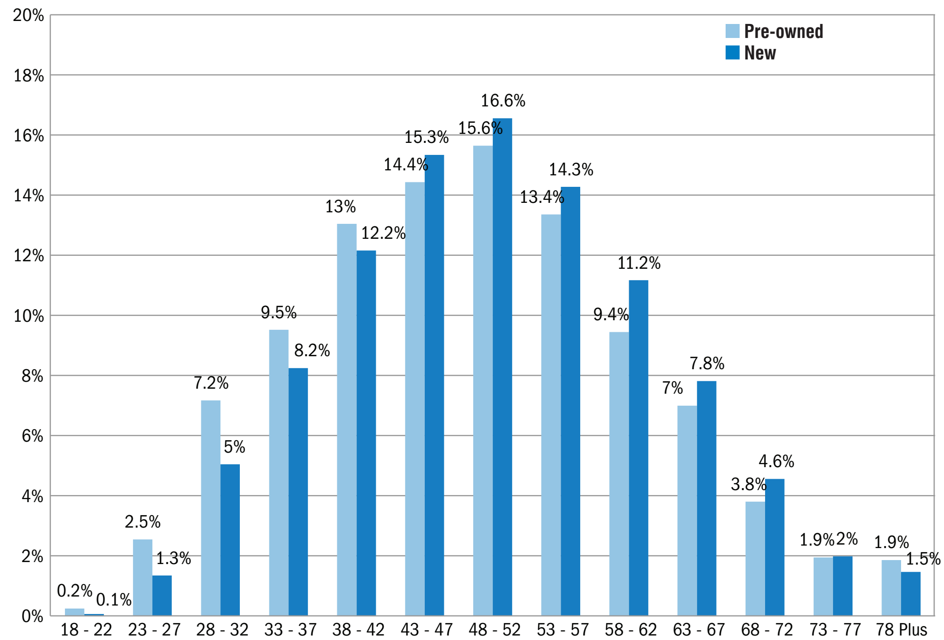


→ More than a third of the boats sold to both first-time (37.9 percent) and repeat (37.1 percent) buyers are purchased by consumers with incomes of $50,000 to $100,000. However, a higher percentage of pre-owned buyers have incomes under $75,000.

New vs. pre-owned buyers

As you would expect, the new boat buyer is older, wealthier and more likely to live in a home worth more than $150,000, while the pre-owned buyer is slightly more likely to be single and live in a rural area.

AGE DISTRIBUTION



→ Age is somewhat of a factor relative to buyers who purchase new versus pre-owned, though not an overwhelming one. While following a generally similar pattern, pre-owned buyers tend to be somewhat younger than new boat buyers, but not markedly so.

The largest group of both new and pre-owned buyers is the 48 to 52 age range, where 16.6 and 15.6 percent of total purchases are made, respectively.

Home ownership

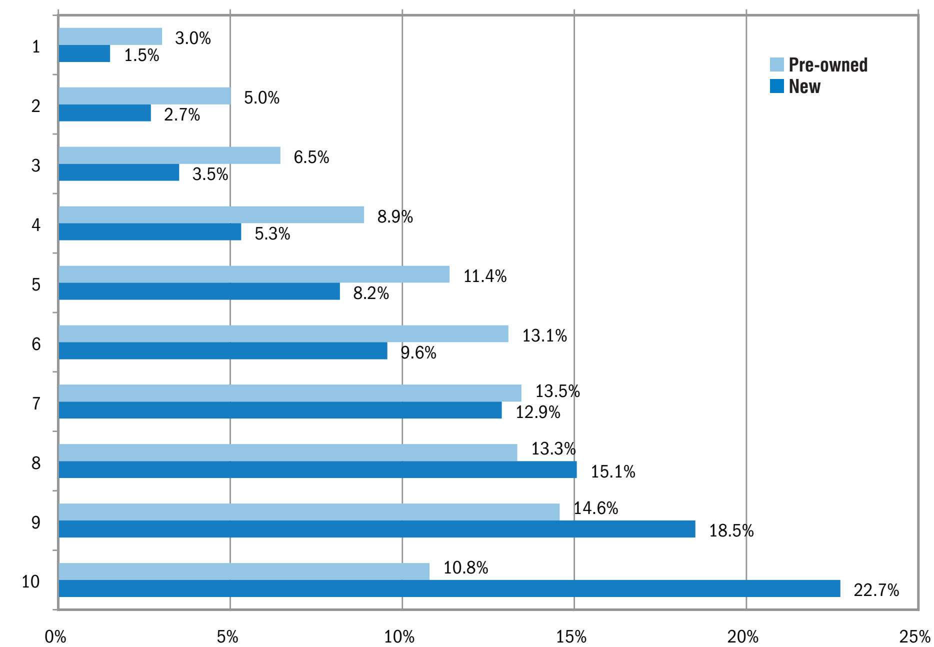
>95%

→ For both the new and pre-owned markets, home ownership is extremely high, with more than 95 percent of buyers owning homes. The highest percentage of purchasers (21.9 percent for new and 28.7 percent for pre-owned) own homes within the $100,000 to $150,000 range.

Age Distribution | Ethnicity | Home Ownership | Wealth Score

→ Caucasian buyers currently account for the vast majority of all buyer types and segments, with a slightly higher incidence of minorities among pre-owned boat purchasers (around 13 percent versus 10 percent for new).

WEALTH SCORE



→ As one would expect, consumers who purchase new boats tend to be more affluent than those who purchase pre-owned. However, given the diverse products and price ranges available, consumers with medium to high net worth purchase both new and pre-owned boats.

New vs. pre-owned buyers (cont.)

MARITAL STATUS

Married - New
81%

Single - New
19%

Married - Pre-owned
73%

Single - Pre-owned
27%

→ There are few distinct differences between new and pre-owned buyers when it comes to the composition of their households. For both, more than half the households feature an adult male and female with children. However, single adult males are nearly 29 percent more likely to purchase pre-owned than new.

Overall, a higher proportion of purchases by singles are pre-owned than new. In our study, single buyers made up 27 percent of pre-owned sales but only 19 percent of new transactions.

GEOGRAPHIC ORIENTATION

New
21.2%

Pre-owned
26.4%

→ More than half of both new and pre-owned buyers (56.2 percent for new and 52.9 percent for pre-owned) live in suburban communities.

The remainder are divided between rural and urban communities, with 21.2 percent of new buyers living in rural areas compared to 26.4 percent of pre-owned buyers. Urban areas are home to 22.6 percent of new buyers and 20.8 percent of pre-owned buyers.

→ The predominant age orientation of buyers is in the autumn of their lives, which rang true for both the new and pre-owned segments. However, pre-owned buyers are slightly more likely to buy in the summer of their lives, especially rural residents, who make 9 percent of pre-owned summer purchases compared to 6 percent for new.

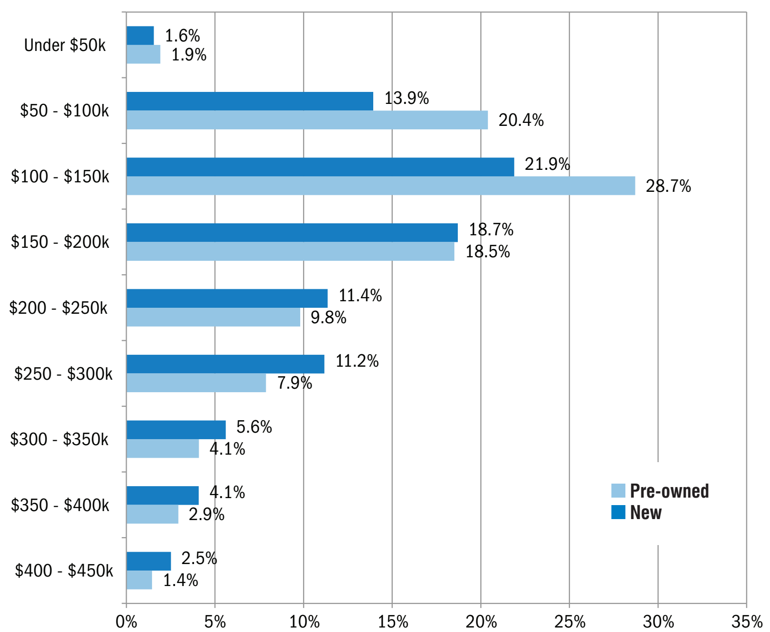
Marital Status | # of Children | Geographic Orientation | Home Value | Age Orientation

New - 1 child
47%

Pre-owned - 1 child
46%

→ Where children are present, number of children appears to play little role in deciding between new and pre-owned. Of buyers with children, nearly half (47 percent for new and 46 percent for pre-owned) of purchasers have only one child, while about a quarter of purchasers in both groups have two.

HOME VALUE



→ Among pre-owned buyers, 28 percent fall into the $100,000 to $150,000 range. In the $150,000 to $200,000 range, that number drops more than 10 percentage points to 18.5 percent, while new sales slightly decrease to 18.7 percent and become the slight majority.

As noted in the previous section, people who purchased a different home within the last two to five years appear to also purchase boats, with no discernable difference whether they purchase new or pre-owned.

Freshwater fishing

The average first-time freshwater fishing boat buyer is 49 while the average repeat buyer is a little older at age 52. About a quarter of both groups have incomes in the $50,000 to $74,999 range. In addition, African Americans make up a larger portion of first-time and repeat buyers than most boat types.

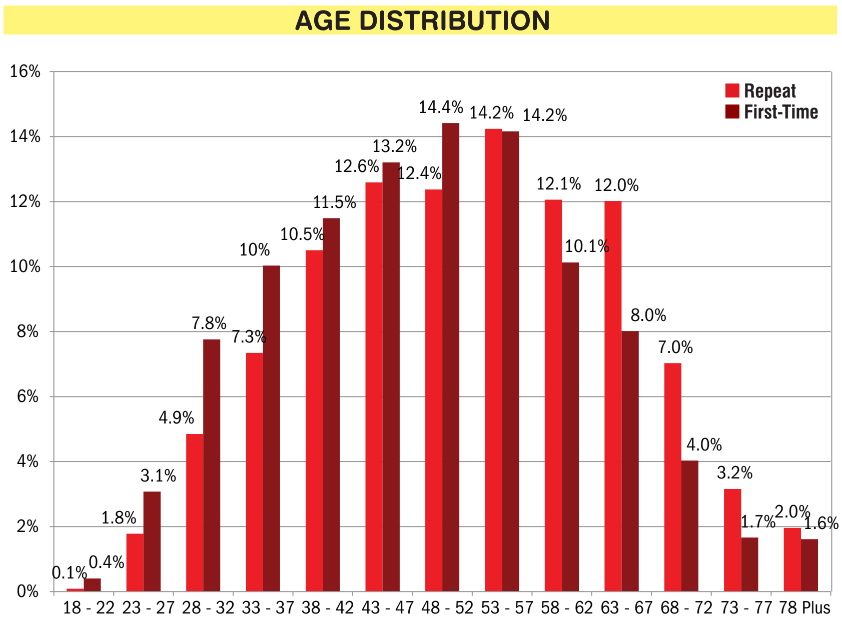
Home Values

→ Home values for both first-time and repeat buyers are heavily concentrated in the $50,000 to $150,000 range.

Geographic Orientation

→ As in several other boat segments, both first-time and repeat freshwater fishing boat buyers live mainly in rural and suburban areas. First-time boat buyers are 37.7 percent rural, 44.6 percent suburban and just 17.7 percent urban. Repeat freshwater fishing boat buyers are 41.3 percent rural, 42.4 percent suburban and 16.2 percent urban.

Age Distribution



→ The largest chunk of repeat freshwater fishing boat buyers fall into the 53 to 57 age group. First-time buyers don't peak as noticeably, with the largest portion spread over the 48 to 52 and 53 to 57 age groups. Overall, at just more than 7 percent, African American buyers make up a somewhat larger portion of this boat segment than others.

Freshwater fishing (cont.)

Ethnicity

→ While dominated by Caucasian and with a higher level of participation by African Americans relative to other segments, the proportion of other minorities that purchased freshwater fishing boats is lower.

Geographic Orientation

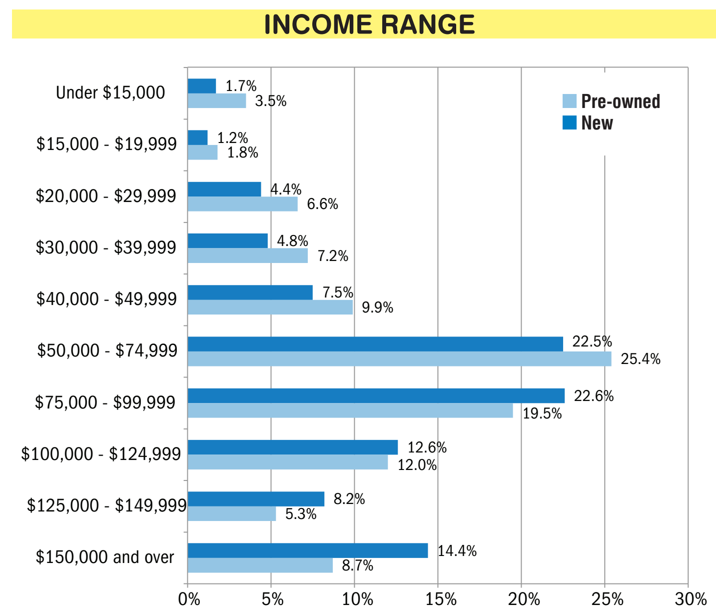
New - Suburban
45%

Pre-owned - Suburban
43%

→ Most freshwater fishing boat buyers, whether new or pre-owned, live in rural or suburban areas. About 45 percent of new buyers and 43 percent of pre-owned buyers live in suburban locations. As one might expect, freshwater fishing boat purchasers are less frequently found in urban settings (about 15 percent).

Income Range

→ As income levels increase, the tendency to buy new also increases. Pre-owned boats are purchased more frequently than new boats for income levels up to $74,999. After that, new boats are purchased by a larger percentage of buyers.



Saltwater fishing

Like their freshwater counterparts, while dominated by Caucasians, saltwater fishing boats are purchased by a slightly more ethnically diverse group of buyers. Higher levels of participation were observed among Hispanics and African Americans in saltwater fishing than in virtually all other boating segments.

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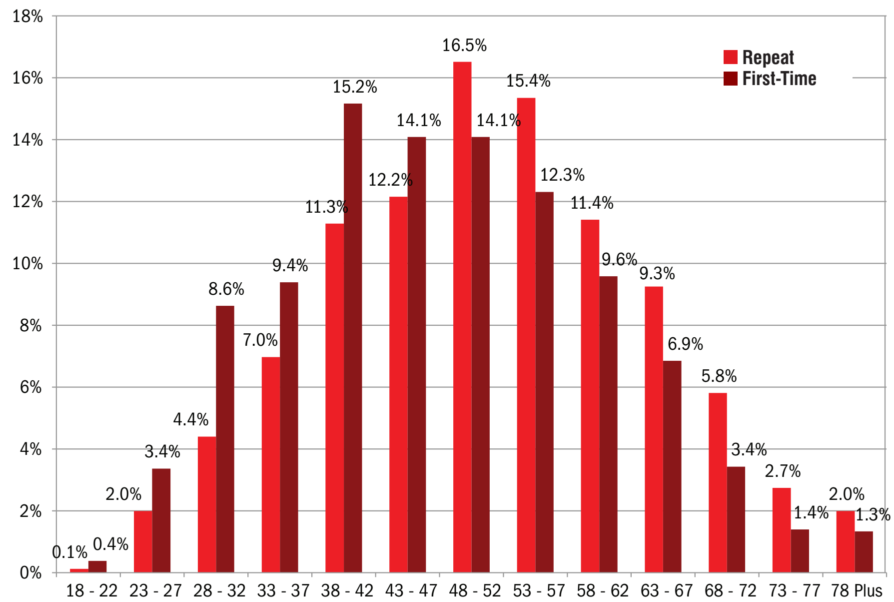
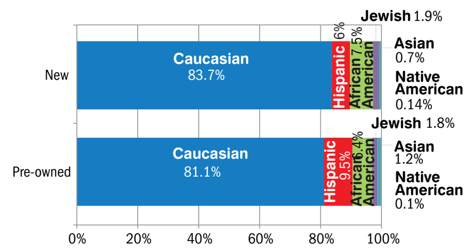


→ The average repeat saltwater fishing boat buyer is 52 while the average first-time buyer is 48. Repeat buyers are most concentrated in the 48 to 52 and 53 to 57 age ranges.

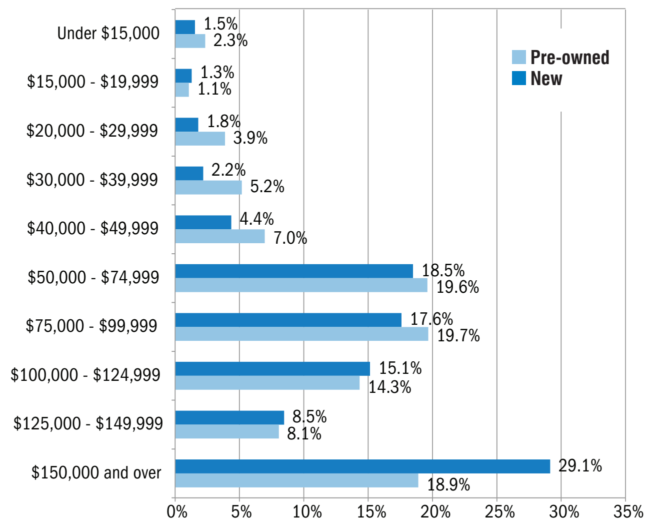
ETHNICITY



→ Nearly 19 percent of saltwater fish buyers are minorities. While not dramatic, minorities are minimally more apt to purchase pre-owned.

Age Distribution | Income Range | Geographic Orientation | Ethnicity

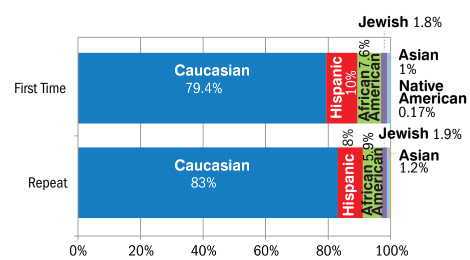
INCOME RANGE



→ Approximately 35 percent of saltwater fishing boat purchasers have incomes under $75,000. As incomes rise, the proportion that purchase new tend to rise but the difference does not become significant until incomes are more than $150,000.

→ **Geographically, saltwater fishing buyers are less rural than the other segments we tracked. Close to a quarter of these buyers were urban, with more than half of these buyers living in suburbs.**

ETHNICITY



→ Hispanic buyers make up 10 percent of first-time saltwater fishing boat buyers, and African Americans make up 7.6 percent of first-time saltwater fishing boat buyers.

Hispanics account for 8 percent of repeat buyers, and African Americans make up 5.9 percent of that group.

Large cruiser

The large cruiser buyer is considerably more wealthy and somewhat older, relative to the other other segments studied.

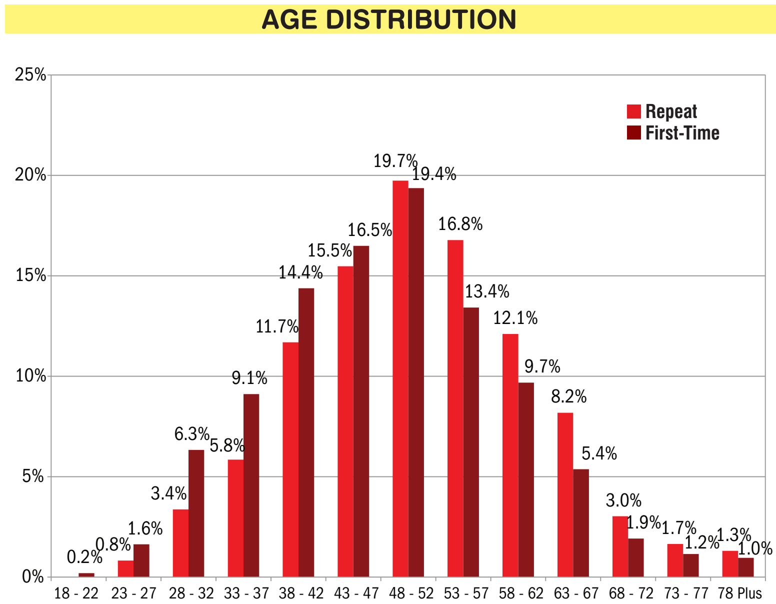
Length of Residence

Age Distribution

→ More than 26 percent of first-time large cruiser purchases are made during years three through five in a home. In fact, this dynamic appears somewhat more pronounced and tends to occur a little more rapidly relative to other segments.

→ Repeat buyers make a larger percentage of purchases beginning at age 38. And the majority of total buyers who purchase new large cruisers (more than 60 percent) fall into the upper-two wealth score deciles.

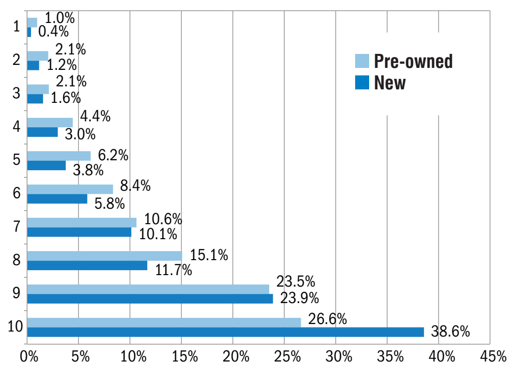
→ The large cruiser buyers purchase age range is concentrated in the 38 to 62 age group, which is consistent with the increased affluence also observed.



Large cruiser (cont.)

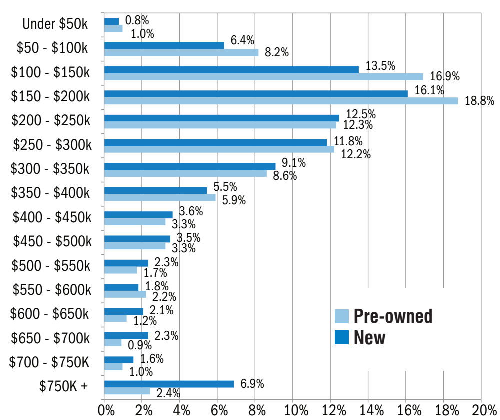
Wealth Score	Home Value	Geographic Orientation

WEALTH SCORE



→ A smaller percentage of new large cruisers than pre-owned are purchased by consumers in the bottom eight wealth deciles. The largest portion of both new and pre-owned, however, are purchased in the ninth and 10th deciles, with more than 26 percent of pre-owned large cruisers purchased by buyers in the 10th decile and more than 38 percent of new large cruisers.

HOME VALUE



→ Nearly a third of large cruiser purchases are made by those in homes worth $100,000 to $200,000. The tendency to purchase new becomes more pronounced only when home values exceed $400,000.

→ More than 87 percent of those who purchase either new or pre-owned large cruisers live in either suburban or urban settings. Suburban is the most popular geographic setting for buyers, with approximately 65 percent living in suburban neighborhoods. The remaining purchasers live in rural areas.

Small cruiser

Overall, first-time buyers of small cruisers tend to be younger, with nearly 30 percent of first-time buyers falling in the 28-to-47-year-old range versus approximately 20 percent of repeat buyers.

Home Value

First-Time

26.5%

Repeat

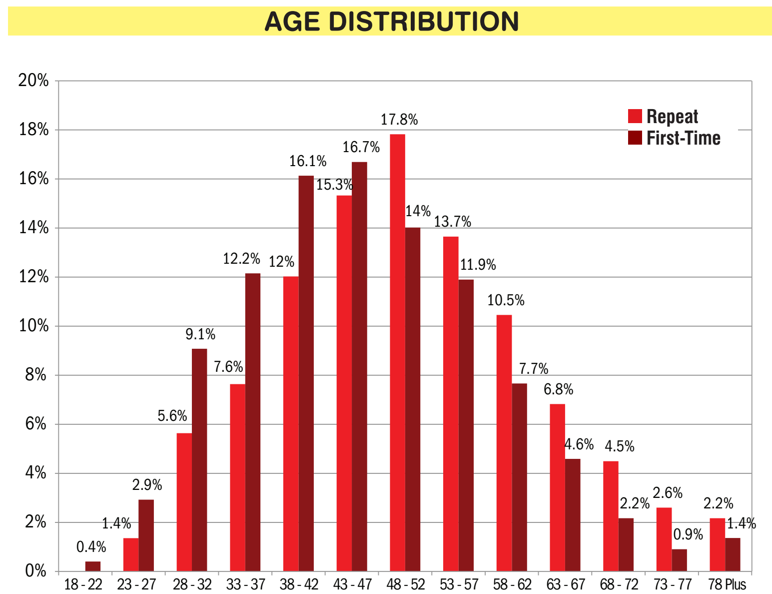
29.6%

→ **The highest percentage of small cruiser buyers own homes worth $100,000 to $150,000.**

$100,000 - $150,000

→ More than 57 percent of first-time and almost 42 percent of repeat small cruiser customers purchase while 47 years old and younger. And in the same range first-time buyers represent a larger percentage of purchases than repeat in each age group. In the 48 to 52 age group, repeat customers represent a higher percentage than first-time buyers for the first time.

Age Distribution



Small cruiser

Marital Status | Age Distribution | Wealth Score

MARITAL STATUS

Married - New
79%

Single - New
21%

Married - Pre-owned
68%

Single - Pre-owned
32%

→ Small cruiser buyers who were married are somewhat more likely to purchase new relative to pre-owned. To a degree, this may be influenced by age and affluence of married versus single households in general.

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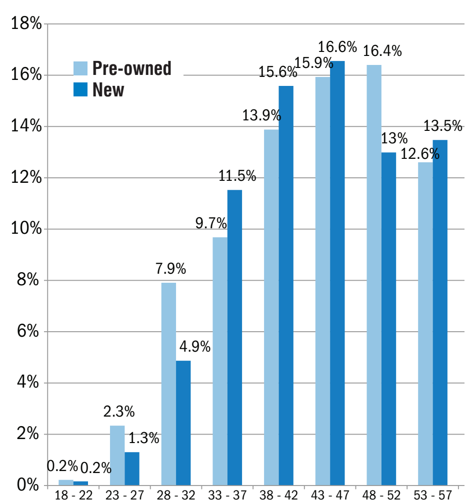

→ In the 48 to 52 age group shown above, pre-owned buyers account for 16.4 percent of small cruiser purchases, compared to 13 percent of buyers purchasing new.

→ Repeat buyers first represent a larger percentage of purchasers than first-time in the seventh decile, but in the 10th decile, first-time buyers again represent a larger percentage.

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[Portrait of today's buyer]

Ski/Wakeboard

The ski/wakeboard boat buyer generally enters the market at a younger age and tends to be significantly more wealthy than the other segments included in this study. Typically, their families are composed of two children or more and live in predominantly suburban and urban neighborhoods.

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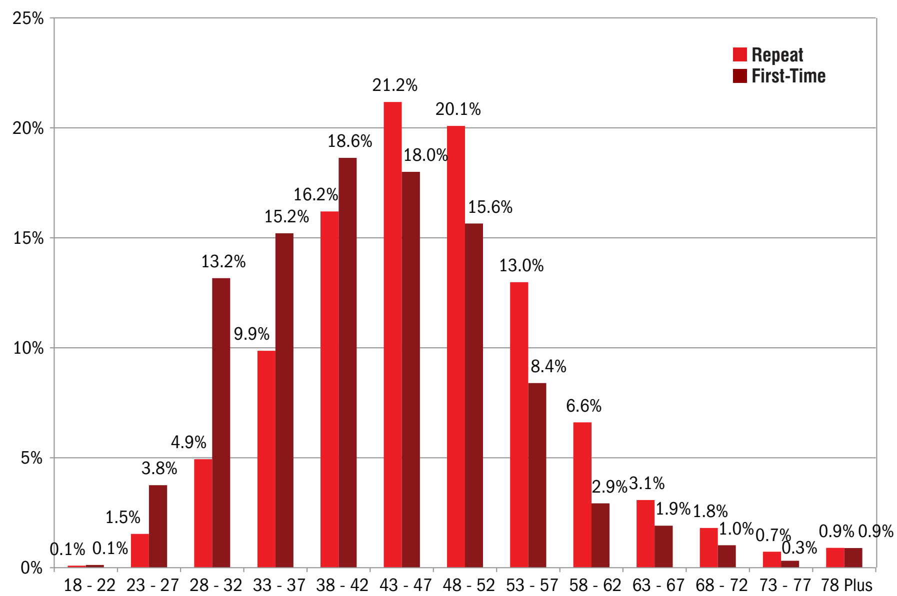


➔ Overall, the ski/wakeboard customer is much younger and perhaps as a result becomes a repeat customer at a much younger age. However, this may be a double-edged sword as buying activity declines markedly after age 52. This may be influenced by the incidence of children leaving the nest.

Ski/Wakeboard - First-Time

63%

>1 Child

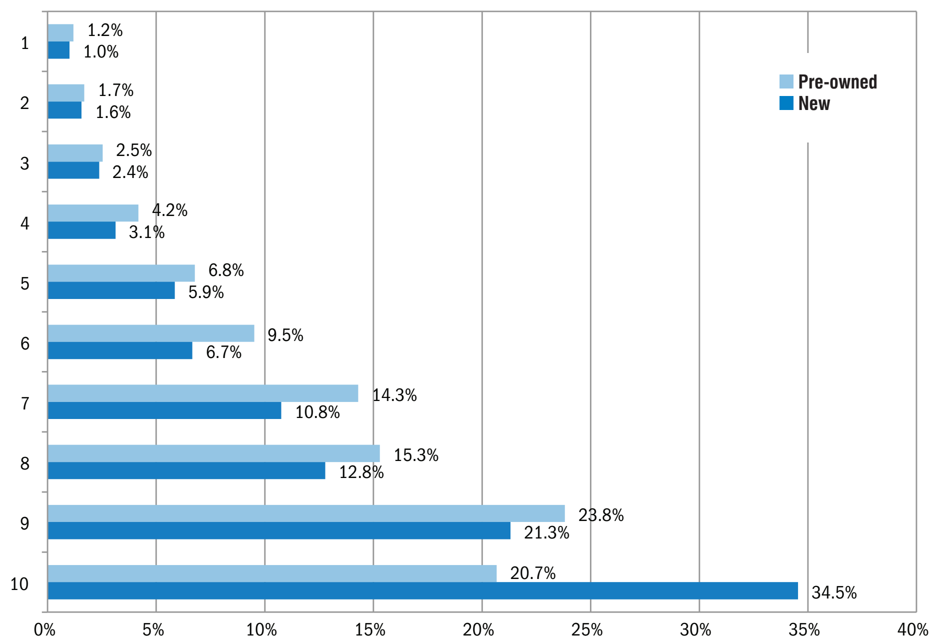
➔ **When looking at families with children, approximately 63 percent of first-time ski/wakeboard boat owners have two or more children. Of that group, 35 percent have three or more children.**

Age Distribution | Geographic Orientation | Wealth Score | # of Children

Rural	Suburban	Urban
15%	**60%**	**25%**

➔ **The majority of buyers are families that live in suburban or urban settings. While not addressed in our dataset, it is possible that given the higher wealth factor, there may be a higher incidence of secondary residence where the buyer lives in an urban community but recreates in suburban or rural areas.**

WEALTH SCORE



➔ More than 56 percent of new ski/wakeboard boat buyers fall into either the ninth or 10th wealth deciles. As seen in other segments, as wealth increases, the tendency to buy new increases but only becomes dramatic in the most affluent of households (10th decile).

Above average wealth scores are coupled with more 43- to 47-year-old buyers than average.

Pontoon

The pontoon buyer is slightly older as a group than other segments and also generally more Caucasian.

Home Value

→ Pontoon buyer home values are most commonly in the $100,000 to $150,000 range, with more than 30 percent of buyers falling into that category. The next most common range for home values is $50,000 to $100,000, which represents about 25 percent of both first-time and repeat buying groups.

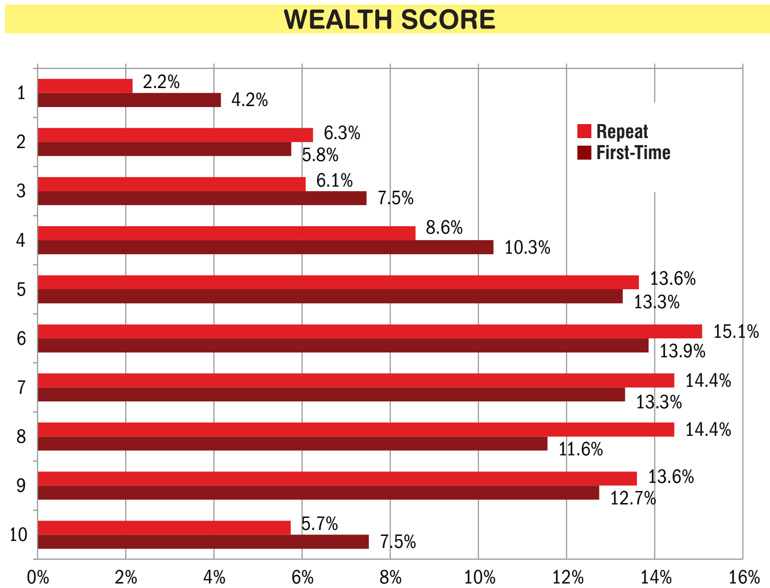
Age Distribution

Pontoon - First-Time

51 years old

→ The first-time pontoon buyer is 51 on average, while the repeat buyer is 54. Repeat buyers first become the larger proportion in the 43 to 47 age group.

Wealth Score



→ Wealth score and income range follow a similar pattern for pontoon buyers. Generally speaking, pontoon boat buyers appeal to a wider range of the wealth spectrum than most of the other segments, which may in part explain their increasing popularity.

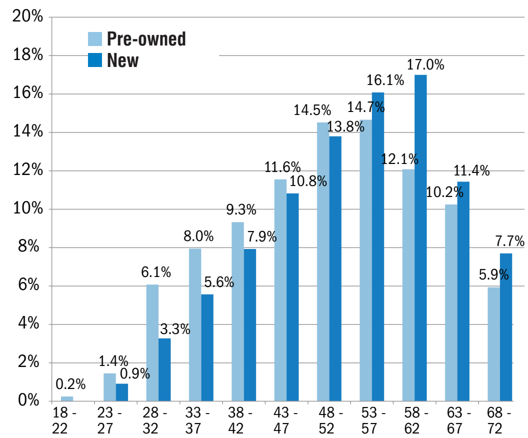
Pontoon (cont.)

Age Distribution | Wealth Score | Home Value

➔ Age does not appear to be a major factor relative to the tendency to purchase new versus pre-owned.

➔ While not significant, there does appear to be a slight tendency to purchase pre-owned at a much younger age with a counterbalancing tendency to favor new among older buyers, which is consistent with rising affluence and disposable income.

AGE DISTRIBUTION



➔ When looking at wealth scores, a greater proportion of pre-owned boats are purchased than new until buyers reach the seventh decile, when a slightly greater percentage of new boats are bought. After the seventh decile, the proportion swings to favor new versus pre-owned.

➔ More than 65 percent of pre-owned pontoon buyers have homes valued at $150,000 or less. That compares to just under half of all new buyers.

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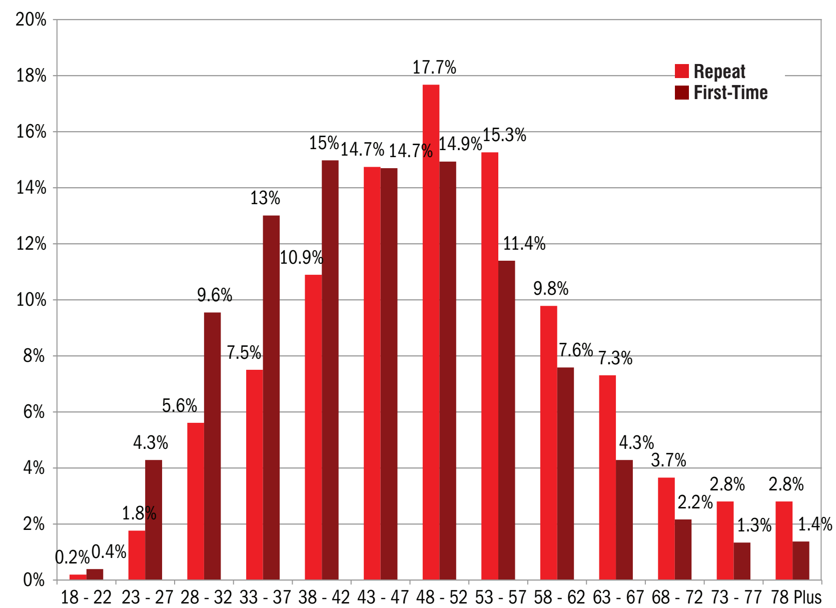
Runabout

As one of the hardest hit segments in the industry, the runabout segment exhibits both wealth scores and home values below average. Moreover, the runabout is clearly popular with first-time boaters and buyers tend to be younger relative to other boat segments.

AGE DISTRIBUTION



→ More than 52 percent of first-time and 38.7 percent of repeat buyers are 28 to 47 years old. Throughout those 28 to 62 years old, first-time buyers represent a larger proportion than repeat buyers. The largest percentage point difference is the 33 to 37 age group.

Runabout - First-time

14.9%

Minorities

→ Almost 15 percent of first-time runabout customers are minorities. Only saltwater fishing boats had a higher percentage at 20.6 percent.

→ About 54 percent of first-time and 51 percent of repeat runabout customers occupy the lower six wealth score deciles. Repeat buyers represent a larger proportion in the sixth, seventh, eighth and ninth wealth score deciles.

Age Distribution	Home Values	Ethnicity	Wealth Score

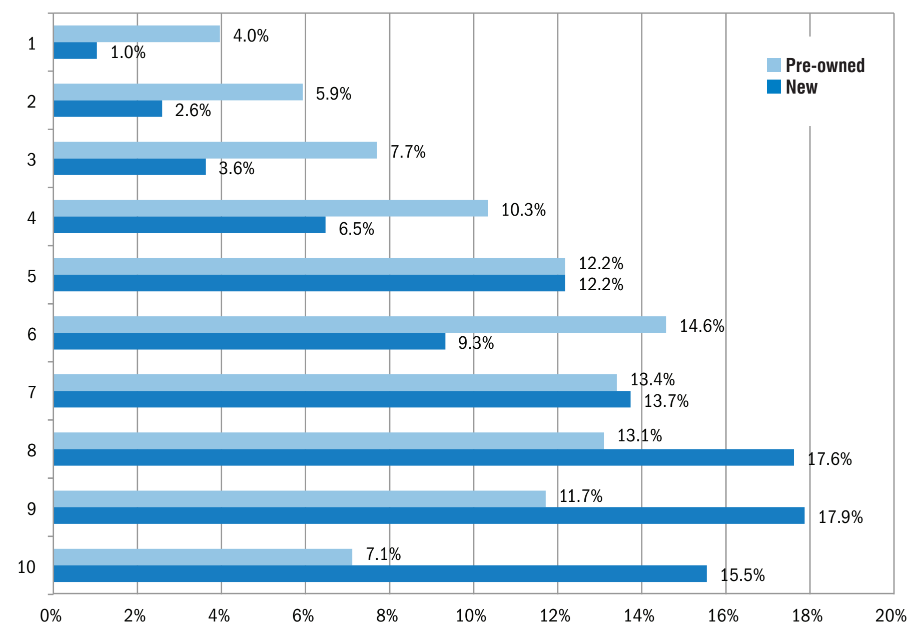
→ While there are runabout buyers at all age groups, they are decidedly more popular among younger and first-time boat buyers.

Runabout -

$50,000 - $150,000

→ The proportion of pre-owned runabout with homes worth $50,000 to $150,000 is above the average for all boat segments, with more than 50 percent of runabout buyers owning homes in the range.

WEALTH SCORE



→ As seen in virtually all boat segments, the tendency to buy new tends to increase as affluence increases.