

# Oregon Market Research Executive Summary

## Introduction

In 2007, the Recreational Boating and Fishing Foundation (RBFF) initiated a market research project with the Oregon State Marine Board (OSMB) to gain a better understanding of why Oregon boat registrations have declined over the last ten years. This is the first of three states where RBFF will be conducting similar research to better understand the decline in boat registrations.

The market research project included three stages to identify the factors contributing to the decline in boat registrations in Oregon: 1) analysis of boat registration data and other variables, 2) qualitative focus groups with Oregon boaters, and 3) quantitative questionnaire with Oregon boaters.

The following presents an overview of the research results and the key findings and implications. RBFF will be expanding this research with additional states, which will allow for further conclusions to be drawn about the decline in boat registrations.

## Research Overview

The key findings from the research are presented in seven categories: benefits, costs, utilization, value of ownership, lapsed registrations, perceptions of Oregon waterways and segment differences.

Overall, the most significant findings appear to describe a relationship between three key factors that have an impact on whether or not boaters keep and re-register their boat. These key factors are perceived benefits, costs and utilization. Costs and utilization appear to be the most important factors.

The implications fall into two categories: implications related specifically to the state of Oregon and implications that may have a much broader application.

It is important to note that this research is based only on data from one state and will not be confirmed until further research in other states is completed. Broad implications at this time are preliminary. However, a pattern appears to be emerging that may suggest important directions for further study and industry consideration.

## Key Findings

The research indicates that the decision of whether or not to keep and re-register a boat appears to be based on a balance of three factors: perceived benefits, costs and utilization. Of these factors, costs and utilization seem to be the biggest drivers of this decision.

Perceived benefits appear to be relatively stable across those who lapse/exit and those who stay in boating. Simple translation: even when owners exit boating, they still see the value of the activity. The research suggests that boaters don't actually need a whole lot of use in order to justify keeping their boats. Both purchase and operations costs are identified as factors. Those

who decided to sell their boat rated the overall cost of ownership to be significantly less affordable than those who kept their boats.

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### Benefits

- The vast majority find Oregon boating to be a very enjoyable experience. Nearly half (46%) rate their enjoyment a “10” on a 1 to 10 scale. And the average enjoyment rating is 8.7.
  - Those who sold their boat or let their primary boat registration lapse enjoyed the experience slightly less (8.3 each).
- Oregon boaters are moderately satisfied with the quality of the waterways. The overall quality rating is 7.3 out of 10.
  - Key strengths identified are the beauty/scenery of waterways (8.2) and the number/variety of waterways available near them (7.5).
  - Key weaknesses identified are the number of ramps available (6.2), courtesy/manners of other boaters (6.3) and safe boating practices/seamanship exhibited by other boaters (6.4). The perceived congestion on Oregon’s waterways appears to be exacerbating each of these issues.

### Costs

- In general, Oregon boaters find that owning a boat is only moderately affordable. The average rating is 6.6 out of 10, where 10 is “extremely affordable”.
  - Fuel costs for the boat and tow vehicle are a major concern (4.8).
  - Trailer registration fees (5.2) and fishing license and tags (5.6) are also considered less affordable.
  - Boat registration fees (6.5) are considered moderately affordable.
- Those who let their primary boat registration lapse rated launch and/or parking fees (6.0), boat registration fees (6.0) and trailer registration fees (4.7) significantly lower than those who registered their primary boat.
- Those who sold their boat rated the overall cost of ownership to be significantly less affordable (5.9 vs. 6.6 in total).
- While boat registration fees are largely considered acceptable, rising fuel prices are especially contributing to the perceived expense of owning a boat.

### Utilization

- Over two-thirds of Oregon boaters frequently or always go fishing when taking their boat out.
- The usage “threshold” to justify keeping a boat is fairly low for the majority of Oregon boat owners.
  - 29% of Oregon boat owners indicated they don’t need to use the boat at all in a given year to justify owning it. Additionally, 29% indicated they would only need to use their boat 1-5 times a season.
  - Only 23% indicated they would need to use their boat more than 10 times a season.
- However, 53% of those who sold their boat used it less than their minimum threshold during their last season of ownership.
- 39% of individuals who let their primary boat registration lapse used their boat less than their minimum level. This compares to only 17% among those who re-registered their boat(s).

### Value of Ownership

- Most boat owners are moderately satisfied with the value they receive from owning a boat. Overall value rating of 7.1 out of 10 (Excellent Value).
  - The perceived value was significantly lower among those who sold their boat (6.1) or let their primary boat registration lapse (6.2).
- Among those who considered boat ownership a good value (8+), the main reasons mentioned were the fun/enjoyment of boating or being on the water; the quality or enjoyment of fishing; the fact the boat is paid for or inexpensive to own/operate; and boating affords quality time with family and friends.
- Those who considered owning a boat a lesser value (7 or less) often mentioned the high cost and/or the lack of use.

### Lapsed Registrations

- 90% of survey participants indicated that their primary boat was registered in 2007. However, considering all boats owned, 21% indicated at least one of their boats was not registered.
  - Perhaps because of its diverse waterways, Oregon has a large proportion of multiple-boat owning households (40% own more than one boat).
  - Among multiple boat owners, 37% have at least one unregistered boat.
- 56% of unregistered boats are from multiple boat owners who choose not to register their secondary boat. The registration lapse issue is largely about the secondary boats.
- The reasons for not registering vary greatly depending on whether it is the primary boat or secondary boat that is not registered.
  - The top reasons for not registering primary boats are not enough time to use it due to work or school schedule/commitments or family/personal commitments. Though not the primary reason, “rising fuel prices” is also a contributing factor.
  - For secondary boats, the top reasons for not registering are boat registration fees are too expensive and the boat is out of service/in need of repairs.
  - Those who sold their boat did so for similar reasons for why some did not register their primary boat: lack of time and rising fuel prices.

### Perceptions of Oregon Waterways

- Oregon boaters are only moderately satisfied with the quality of places to do watersports (6.7) and the quality of fishing (6.5) available to them.
- The majority of Oregon boaters feel the level of marine patrol presence is adequate.
- The safety of launch facilities and availability of restrooms were rated significantly lower by those who sold their boat or let their primary registration lapse.
- Primary suggestions to improve Oregon’s waterways include: having more ramps/access points; improving existing ramps/access points; providing increased parking and greater security of parking areas; providing additional enforcement; improved manners/courtesy of other boaters; and improved fishing quality/conditions.
- Most Oregon boaters have only a fuzzy idea of how funds generated by boat registration fees are utilized. Only 24% know exactly or have a very good feel for how funds are used.
- However, most don’t have a “burning desire” for this information either. Only 42% were “Extremely” or “Very” interested in receiving information on resource expenditures.

### Segment Differences

- Frequent or Occasional Anglers (vs. those who don't) rated the quality of fishing higher; derived greater value from owning their boat; and are more likely to select "boat registration fees" as the top reason for not registering their secondary boat.
- Smaller Boat Owners (16' or less vs. 17'+) rated the quality of Oregon waterways higher on nearly every attribute; rated the quality of fishing higher; considered owning a boat to be more affordable in every regard; and derived greater value from owning their boat.
- Older boat owners (55+ vs. those under age 55) rated the quality of Oregon waterways higher on nearly every attribute and on an overall basis; considered the total cost of owning a boat to be more affordable; and rated the quality of fishing higher.
- More affluent boat owners (household income of \$75K+ vs. under \$75K) rated the quality of Oregon waterways lower on several attributes; rated the quality of fishing lower; considered owning a boat to be more affordable and a better overall value; and are more likely to indicate that a lack of time was the main reason for not re-registering their primary boat.
- Valley boat owners (vs. boat owners from other regions) rated the quality of Oregon waterways lower on most attributes; rated the quality of fishing lower; and are more likely to indicate that there is too little enforcement.

### **Implications**

The research implications fall into two categories: implications related specifically to the state of Oregon and implications that may have a much broader application. It is important to keep in mind that this research is based on data from only one state and implications at this time are preliminary. However, a pattern appears to be emerging that may suggest important directions for further study and industry consideration.

### Industry

- Since perceived benefit appears relatively stable, cost and utilization could become even more critical factors for retention. This would indicate that perceived benefit, which is essential in boating recruitment, may offer less leverage in boating retention.
- It may be more important than ever before to emphasize the affordability of boats and boating in advertising.
- It may be critically important to have low-cost entry options available, in order to make sure we're bringing new boaters into the pipeline.
- Right-sizing boat sales: the importance of selling consumers boats they can "afford" to operate so they stay in the boat buying pipeline through their lifetime. This may be especially true of first-time boaters. Overselling a customer could result in an unreasonably high utilization number – setting up a boater for a quicker exit from the activity.
- There may be related marketing strategies in the above that would help consumers get past current reservations to buying a boat, such as providing gas vouchers with boat purchases.
- It is important for marine manufacturers and retailers to understand that costs (not the lack of desire or enjoyment) are a key reason for why many exit boating. It may be important to pursue lower cost product and service offerings to make boating more affordable and to help offset increased fuel prices.
- It is important to understand that under-utilization is also a key reason for why many exit boating. Marine manufacturers and retailers may want to consider offering getaways, customer appreciation events and other activities to help increase utilization and foster a sense of "community".

- For the industry as a whole, it is important to recognize that environmental factors such as rising fuel prices and perceived lack of time are negatively affecting boat ownership. It is important to be mindful of these issues to avoid further exacerbating the problem.

#### Oregon:

- To ease the perceived over-crowding experienced by Oregon boaters, the OSMB may want to consider the following:
  - Evaluate adding additional access points and widening existing ramps.
  - Add additional parking for tow vehicles and trailers at popular destinations. And increase security at parking areas.
  - Post signs at launch areas to designate staging areas to help the traffic flow.
  - Continue to educate the public on safe and courteous boating practices.
- The OSMB may want to publish information on how OSMB funds are used. While there was no “burning desire” for this, boaters are not opposed to receiving this information either. Providing this information could reassure those concerned about registration fees that much of the money is used for their benefit.
- The OBMB should not lower registration fees for secondary boats. Even though the “cost of boat registration fees” is a key reason why many did not register their secondary boats, reducing these fees to a noticeable level will likely reduce revenues. It is unlikely that the percent registration of secondary boats would increase greatly enough to offset the reduction in fees.

#### **Next Steps**

RBFF will begin similar research in two additional states later this year. Additionally, in partnership with RBFF, the OSMB is utilizing the research to develop a pilot marketing program to increase boat registrations, expected to launch in fall 2008.