

SAIL AMERICA NEWS

Monthly News for
Sail America Members



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WAYPOINTS COVER STORY



A former sports writer, Matt Gruhn is president of the [Marine Retailers Association of the Americas](#) (MRAA). Prior to joining MRAA, Gruhn worked on the staff that launched Ehlert's *Powersports Business* in 1998, and began working on *Boating Industry* magazine when Ehlert/Affinity acquired it in 2002. Named editor of *Boating Industry* in 2003, associate publisher in 2009, and publisher and editorial director overseeing Affinity's trade group in 2010, Gruhn helped to launch *Boating Industry's* Top 100 Dealers Program.

While with *Boating Industry*, Gruhn led the team that produced the MRAA's annual convention, the [Marine Dealer Conference & Expo](#). He was integral to rebranding the MDCE and the event saw significant growth. Over the course of three years and during The

Great Recession, MDCE attendance doubled from 2007 to 2008 and more than doubled again from 2008 to 2009. From 2009 to 2010, the conference grew by another 30-plus percent. Today, the MDCE attracts more than 1,100 industry members, more than 600 of which are dealers.

Sail America chatted with Matt Gruhn about the state of the industry, how dealers and manufacturers communicate, and what the industry might expect moving into the future.

Sail America: How did you get involved in the marine industry?

Matt Gruhn: Well, I've been a boater my entire life, growing up doing a lot of boating and fishing. I worked for a marine distributor, Lorenz & Jones, for a couple years while in high school. And then I came back to the industry for good in 1997 when I started in the editorial ranks of a trio of boating magazines.

SA: MRAA has seen substantial growth in the past few years, including a 200% growth in membership since February 2012. Can you comment on that?

MG: When I came aboard at MRAA, there were only two people—me and one other person. Since early 2013, we've grown to a staff of nine people. What's been

invigorating about our transformation is that our staff has a lot of next-generation thinking to it. There are a lot of young people on our staff. It wasn't intentional to hire young people, but, except for a few of us, our employees are all basically 20-somethings. They're full of new ideas and lots of energy and are fully capable of executing our mission to create and provide tools and resource for our members. It's been a lot of fun to see the passion and initiative they bring to the association. But, it's also been a little humbling for me, as well. When I came in after Phil Keeter, I was the young guy, and literally overnight, I went from being the young guy to the old guy. I'm still trying to determine how I feel about that.

SA: The MDCE also saw amazing growth at a time when most people and companies were scaling back. To what do you attribute the success of MDCE from 2007 until now?

MG: There are two things really. First, the growth really came during the recession, which surprised us. But it also made sense because the fact of the matter is the event is all geared toward providing dealers with solutions for challenges and ideas for growth. During that time, dealers needed real-world answers like no other time before it. And we have been very successful in building an educational line-up, every single year that appeals to their needs. And that's the second thing: the delivery of timely strategies, ideas, best practices, and expert advice on real-world issues has continued to drive growth for this event. What we find is that a lot of dealers think this is the same as the old program that MRAA used to offer; but the truth is when we revamped the program, we completely reinvented it and have put all of our focus on delivering educational opportunities that truly help them grow. Now, many dealers come to the event every year and are bringing more and more of their staff members.

SA: What are some effective ways manufacturers are communicating with dealers and vice versa? What do dealers like to see from manufacturers, in terms of design, products, items that sell? What are some trends you're seeing?

MG: I believe that the key point here is that while the recession was tough on everyone, those companies that made it through have come to understand the value of relationship. Dealers and manufacturers, in my opinion, have stronger relationships, in general, than at any time in our industry's past. They collaborated to get through the tough times and they have learned better ways for strengthening their businesses as we begin to return to growth.

SA: What kind of ratio do you see between new boat sales and used boat sales?

MG: About two-thirds of all boats sold and registered in a given year are used boats. Used boats are really the new entry-level boat. What that means for us as an industry is that we need to gain more control over the pre-owned product that is being sold so that we can contribute proactively to a positive boating experience for first-time boaters. Those people who buy a boat from someone's driveway are at high risk of a bad boating experience. There could be problems with the boat before they buy it; they don't have quick access to quality service; and the quality of their boating experience is left to fate. If our dealers can capture more of that business,

they can help control the quality of that experience for new boaters and we can keep those people in boating for the long term.

SA: What kinds of trends are you seeing at boat shows in terms of interest, sales, demographics?

MG: Dealer reports from boat shows have been positive this year. In fact, most early selling season reports, aside from the upper Midwest where there was some flooding, have been positive. Show reports suggest that while attendance may not be as strong as it has been in the past, buyers are turning out and are making purchases.

SA: What are some ways dealers are attracting buyers? Are they targeting a specific demographic? What are some ways a manufacturer can appeal to a buying demographic based on what dealers might be seeing?

MG: I think what's attracting buyers right now is quite simply, boating. There is a good deal of pent-up demand from the prolonged downturn and people are eager to get back on the water. With the new products and innovations that our industry has seen over the last few years, buyers understand that they can experience new things on the water and are investing their money and family time in boating. That's a refreshing trend. Simultaneously, dealers are connecting with buyers through all the new methods, whether that's social media, online video, digital marketing, as well as the standard means of hosting open houses, boat shows, and general advertising. Boat sales are up more than 10% over last year, year-to-date, so the formula is working.

SA: What are some ways you see the industry moving forward to address an aging buying demographic and/or compete with other sports that may pull some of that recreational spending away from the boating world?

MG: There's no denying that the majority of our boat sales over the years have been made to the Baby Boomers. And as the Boomers move into retirement, we need to identify ways to attract younger audiences into boating. There has been a lot of discussion about this over the last few years, and there are a series of initiatives underway that are addressing this. The most prominent of these was borne of the [Growth Summit](#), which offered a revitalized focus on addressing the challenges our industry faces. One of those, of course, was a lack of young people coming into boating, and the data is clear that people who boat as a child are far more likely to buy a boat as an adult. As a starting point, the Recreational Boating Leadership Council, a Growth Summit oversight committee, has addressed this challenge by creating a [Youth Boating Program](#) database, which can be found on [DiscoverBoating.com](#). A lot of work went into cataloging this information, so we're very proud of it, and what's more is that the web page allows people who offer other youth programs to add theirs to the database at the click of a button. It's a great starting point for addressing this challenge.

SA: How is MRAA involved in the Grow Boating Initiative? And how can others in the industry get involved?

MG: The Grow Boating Initiative is an industry effort to do exactly that—grow participation in boating. MRAA has been an equal partner in Grow Boating since the launch of the program. Discover Boating is the consumer-facing side of the program, and you've likely seen some of the program's [Stories of Discovery](#) this year. These are features on real people who have discovered boating and made it a focal point of their lives. If you have not seen them, I highly encourage you to check them out. Here's the best part: Historically, people have come to know the Discover Boating campaign as solely an advertising campaign. But, today, this program is chock-full of resources that our dealers and manufacturers can use to encourage people to experience more through boating. These Stories of Discovery videos are a great example. They can be imbedded onto your website and can help you promote boating to your customers. In fact, just visit [GrowBoating.org](#) and click on the Tools You Can Use link at the top of the page to find promotional materials, web content, logos, and more. They are all free for our industry members to use.

SA: Can you talk about methods or techniques dealers are using to engage their customers, keep their customers coming back, or grow their customer bases? In what ways are dealers making sure the sale doesn't end when the check is written and keeping that customer engaged in the sport?

MG: Boating is a lifestyle choice, and as such, our dealers need to create opportunities for their customers to enjoy that lifestyle. They need to give the reasons to participate in the lifestyle and offer them new experiences within it. A dealer once told me that they have determined that a boater really needs just five times on their boat each year to be able to justify ownership. His mission was to ensure that he offered enough events for all of his customers to get on the water five or more times. If we approach our business like that and we foster boating experiences for our customers, I believe the rewards will be very high. Boating is a social lifestyle. We need to create social experiences through the connection we have with other boaters and increase the enjoyment our customers get out of their boats.

SA: You're a boater yourself, yes?

MG: Yes, I am a boater, and while I do spend a good deal of time in a powerboat, surfing or just cruising, most of my time on the water is spent fishing. I enjoy a 4 a.m. wake-up call, being on the water before sunrise, and being off the water before the craziness of midday gets into full swing. Ideally, there'd be some fish on the line in the midst of all of that. I started boating as a child, and I'd have to say that my favorite memories are now all about watching my kids enjoy being on the water.

[Marine Dealer Conference & Expo](#) is scheduled for November 16–19, 2014, in Orlando, Florida.