

The Future of Buying Study

ROLICK

A strategic roadmap for navigating the
evolving landscape of consumer behaviors
in the outdoor recreation industries



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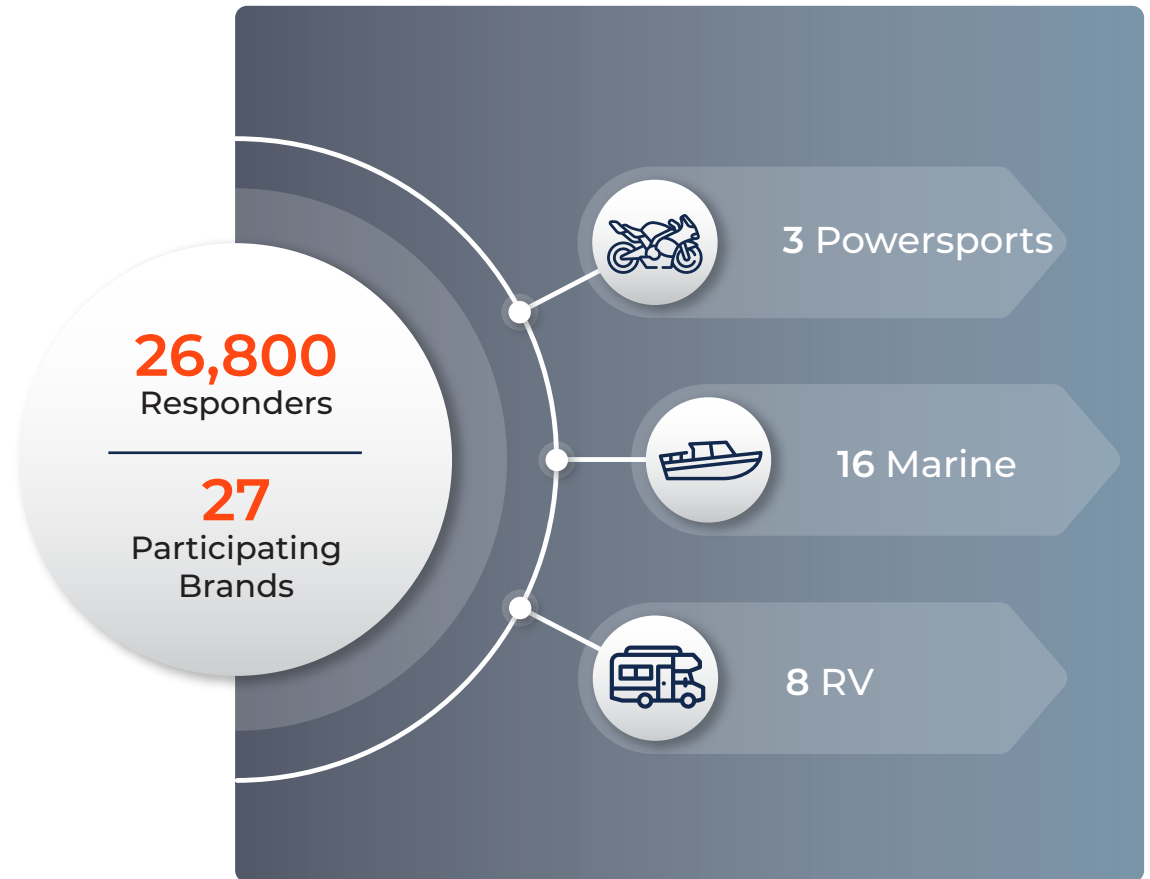
I. Background

In late summer/early fall of 2023, Rollick, a national leader of marketing, technology, and market research in the outdoor recreation industries, conducted the most extensive single study ever done with owners and prospects of outdoor recreation vehicles.

The study entitled The Future of Buying (FOB) examines how recreational consumers engaged with their brand and dealers in their most recent shopping and buying experience and, more importantly, the tools, technologies, and resources they relied upon.

The study received consumer feedback from nearly 27,000 RV, Marine, and Powersports owners and prospects. Twenty-seven Rollick clients in these three industries participated by allowing Rollick to access client owners and prospects via their Rollick Aibase instances that securely houses customer data.

The study was branded by the client, which led to a very robust response rate of nearly 18%, with some clients seeing response rates over 30%. This whitepaper will outline the study's overall results by industry and compare the three sectors.



In addition to this whitepaper, Rollick presented the study to each participating client and industry group nationwide. If you are interested in learning more about the study, seeing expanded results beyond what is shared here, or conducting a study for your brand, please get in touch with Jason Riley at Jason.riley@rollick.io.

II. Overview of Audience

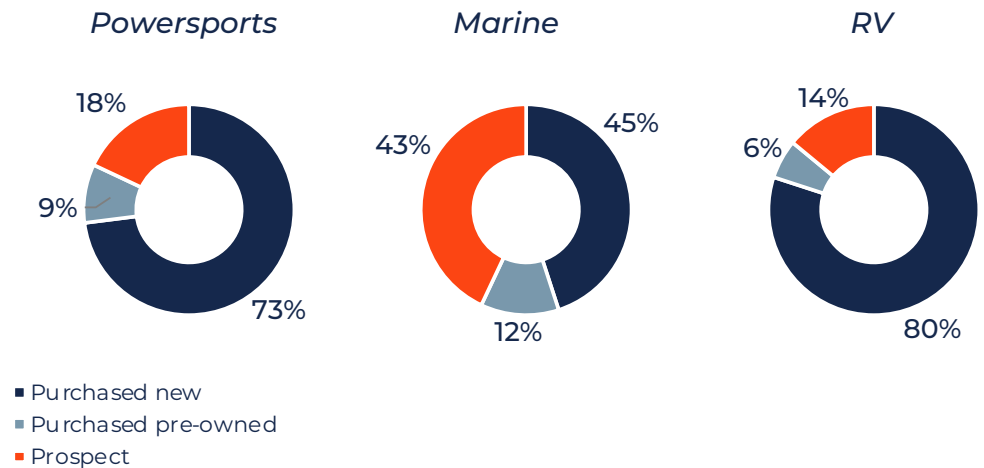
As mentioned, the study sought responses from both owners of the products as well as prospects, but within these categories were sub-categories, allowing Rollick and our clients to further drill down into trends based on the type of owner.

Most responders, especially in Powersports and RV, were owners who had purchased their products new, and a smaller percentage had purchased pre-owned products. Most of the owner responders were current owners or had historically owned products. In contrast, another group of owners was identified as “new to the market or first-time owners,” an essential category for the industry as the new owner is the lifeblood of industry growth.

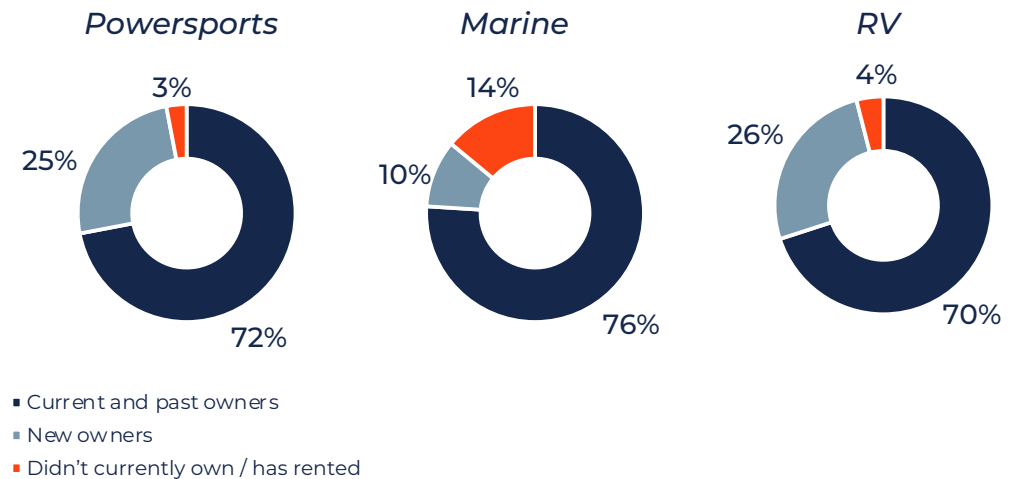
Prospects were also significantly represented, especially in marine, including prospects who had never owned but rented products to explore the lifestyle. In a later section of this whitepaper, we will have a complete breakout of the renter’s mindset and the impact of converting a renter to an owner.

Each respondent’s products were a representative sample of product types sold by each industry. The product ownership represented entry-level as well as luxury models. However, as you will find in the section entitled “What is in a consumer’s garage and dock,” you will find that many of your customers own a variety of cross-recreational industry products, showing a love for anything outdoors and fun! Cross-recreational owners are fertile ground for building brand loyalty across a manufacturer’s products.

Composition of Owners versus Prospects



Composition of Past Owners versus First Time Owners



III. Responder Demographics

Overview

So often, when demographics are captured in studies or discussed among the industry, the consensus is that all owners of recreation products are similar. While on the surface, that may be accurate, when you look deeper, **you find nuances between industries and even between brands or types of products.** For example, when considering the owner's age, Powersports and Marine owners tend to skew younger, and RV owners tend to skew older, and in both groups, by a consistent margin. On the surface, that would be great news for Marine and Powersports brands and bad news for RV, as their customers are potentially aging out of the product. However, as younger buyers come into the category, their needs are different, especially the needs or uses of technology and their preference for it when inquiring and shopping for a product. The younger buyer, and perhaps one new to the industry or one with much wealth, may not be as patient or understanding as older buyers who have gotten used to the "that is the way things have always been done" mentality.

Gender Demographics

The industry also **skews towards the male**, but RV shows a much more **significant amount of female ownership** than Marine and Powersports. Just as a younger, wealthier buyer offers excellent opportunities and new challenges, so too do more female buyers who come into the market. Their needs differ from a male's needs, and brands must understand that any new buyer, regardless of age or gender, offers the brand great opportunities to adjust to new buyer mindsets. In many ways, this study identifies these new mindsets.

Wealth Demographics

Lastly and perhaps most significant is the **explosion of wealth** among owners of these products, both in household income and net worth. The growth of affluent customers could be because wealthy people want to live life to the fullest now, have more time, and prioritize recreation, or are the target audience due to, in some part, the price of products. The outdoor recreation buyer, especially in the Marine, is incredibly wealthy. 12% of the marine buyers have a **household income of over \$500,000**, and 28% have a net worth of over \$2,500,000. As we said previously, they are younger and more affluent than ever. As a comparison, per the recent U.S. Census, the median HH income for U.S. families in 2022 was \$74,000, while only 2% of all American families had a net worth of over \$2.5 million. Indeed, the recreation owner needs to mirror the demographics of the U.S. population.

Conclusion

So, when you look at demographics, and your first glance is to paint your customer base with one brush, the FOB study clearly outlines that within the familiarity of your industry and market lies challenges and opportunities based on your current and future customers being younger, wealthier, and women. **Your customer base is changing, and how they want to interact with you is changing**, as well, and the FOB study results demonstrate this.

IV. Most frequently, Online sources are used in the research and buying process

One of the study's primary objectives was to determine what tools and resources were most frequently used by those in the shopping and buying process. Our research told us that websites controlled by the brands/manufacturers had the highest levels of usage when shopping for products with extremely high levels, especially in Marine and RV.

The manufacturer's websites were used more frequently than dealer websites in every industry. While corporate-controlled (manufacturer or dealer) social media sites seem less utilized, perhaps because of the freshness of content or messaging, independent sites such as ratings and review sites, community (owner) social media sites, and third-party industry sites, all managed by outsiders, had higher utilization than the dealer social media sites

indicating perhaps the customers want to get third party insights before making a significant purchase decision.

Concerning industry-by-industry comparison, RV and Marine shoppers and owners, on average, use all Online resources more frequently than Powersports shoppers. Perhaps because of the long-term nature of the shopping process in RV and Marine, or the complexity and price of the product versus Powersports, or the Powersports brand and dealer sites are not giving consumers the information they want.

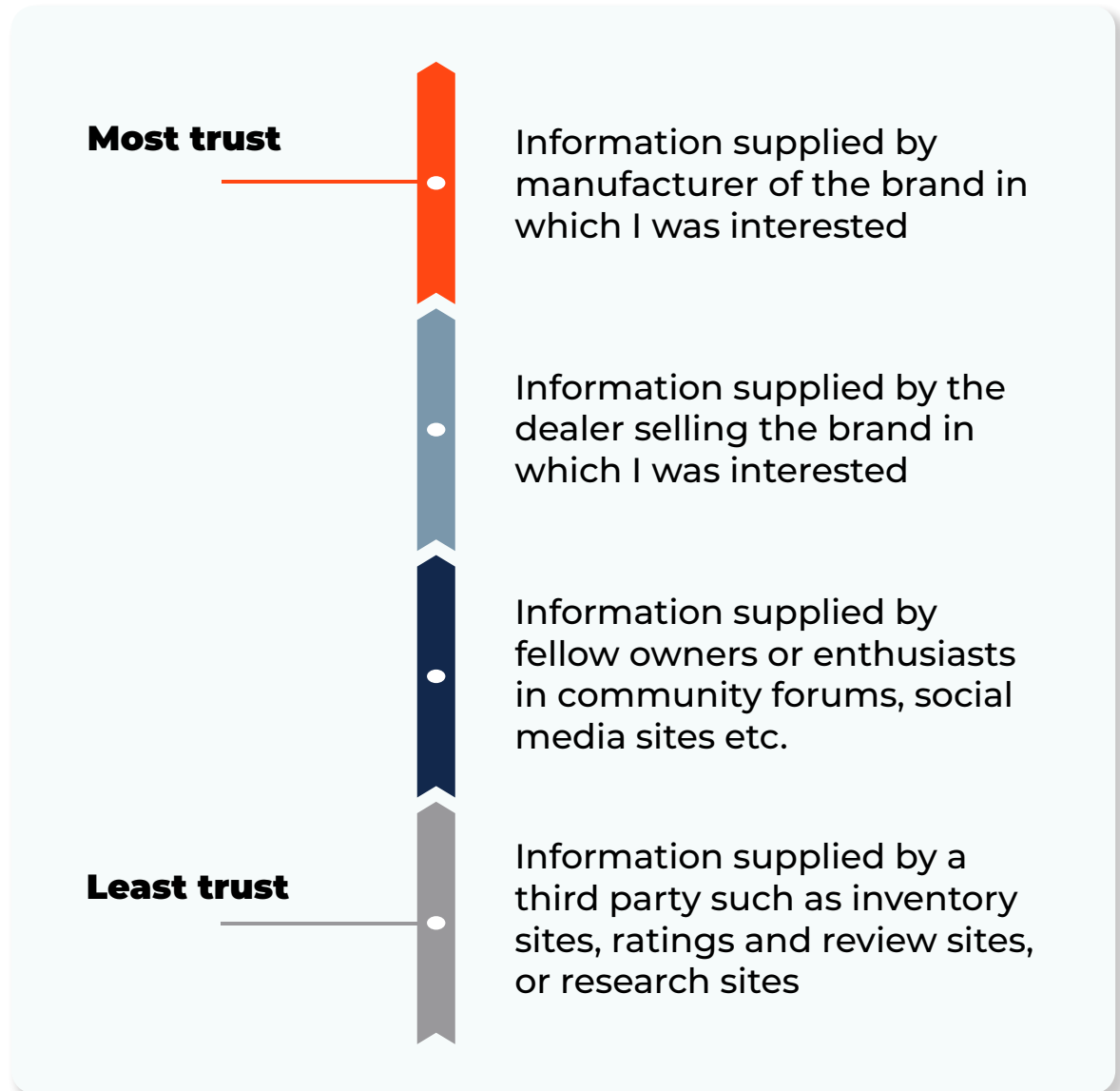
Whatever the reason, consumers like a mix of corporate-controlled information sources, primarily brand websites, and third-party sites, to get an independent evaluation of products they are considering.



V. Most Trusted Sources of Information

While we asked consumers what sources they most frequently used, we also asked what they most trusted. We rolled sources up into four groups: Manufacturer sources, dealer sources, community/owner sources, and finally, third-party sources. Not surprisingly, consumers trusted the manufacturer's resources more than any other group of resources. That is good, mainly because they use those sources more frequently.

However, community/owner sources or sites were the second most trusted source. Consumers in all three industries trusted community/owner sites more than dealer sites. Though Powersports was virtually tied for trust between owners and dealers, the gap in the RV industry between trust in owner sites and trust in dealer sites was significant. Almost 20 percentage points different. Also, trust in RV manufacturer and dealer sites was significantly lower than trust in corporate-owned Marine and Powersports sites.



Consumers Expect:
Immediate Response

Two exciting trends emerged when asking consumers about the urgency and frequency of communication. One trend, or perhaps expectation, is that **consumers who inquire about a product expect an immediate response** via email and text, especially from the dealer. These methods rate slightly above a phone call, though a product specialist call is appreciated, though expected less.

Consumers Expect:
Ongoing Communications

The other trend is related to the long purchase cycle, and **consumers expect ongoing communications** if their product needs to change or if their purchase decision is delayed by 4-6 months. They want either the dealer or the manufacturer to stay in touch over the long haul of the shopping process. In frequency, the guidance is to do it quickly and for the long term to let customers know you value their business.

VII. Purchase Time Frames

Directly related to communication frequency and expectations is the length of the purchase cycle.

While a Powersports purchase usually takes a month or less, a Marine and RV purchase, on average, takes much longer; in many cases, it is 4+ months longer. What this means is “never give up on the customer.”

While it is easy to go after low-hanging fruit, the customer that is ready to buy now, the product price, variety, and complexity, especially in RV and Marine, causes the purchase cycle to be longer, thus the need to invest in a long-term nurturing strategy.



VIII. Use of technologies in buying research and buying processes

If the previous questions asked what the expected frequency of communication should be, the next question asked about the effectiveness of technologies that a consumer interfaces with. The leader in effectiveness, to this day, is still email, but per the answers to the previous questions, emails must be timely, personalized, and both immediate and short-term. Emails are not considered intrusive, as a phone call would be, so consumers say using an effective email nurturing program is most effective.

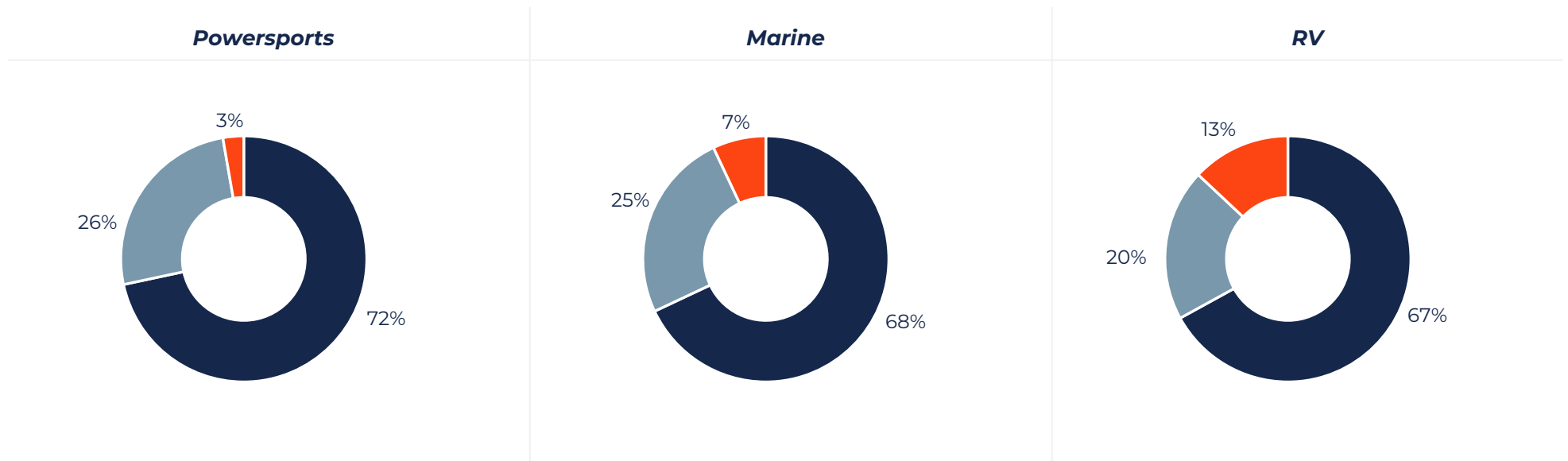


The second most effective is augmented or virtual reality to experience a product. This is especially effective in RV and Marine. And while we did ask about AI, the effectiveness of this tool was less than that of other tools, though on par with automated texting. We believe that this effectiveness rate will grow as AI becomes more utilized. We also asked consumers to list any other technology and industries offering something new and exciting that the outdoor sectors are not.

IX. Importance of financial factors impacting purchase

Not surprisingly, financial factors are critical to consumers considering the purchase of an outdoor recreation product. Still, fairness and transparency are paramount in the process and consumer mindset, even more than interest rates and the ability to get financing. The consumer wants to be able to get a fair value for their trade and be able to negotiate the best price with their dealer. Interestingly, many financial factors are preferred BEFORE the customer enters the dealership, as evidenced in section nine (IX).

In addition, consumers do not want to feel pressured to use a dealer's in-house financing, and the good news is most dealers, while offering in-house financing, do not pressure the consumer to use it. Financing, like many aspects of the purchase journey, is an element in which the consumer wants as much control as possible, especially before settling on the final product at the dealership.



- The dealer offered in-house financing as an option but left the choice of financing to me
- The dealer did not offer in-house financing
- The dealer offered in-house financing and I felt pressured to use it

X. Online vs. in-dealership shopping and transaction preferences

Coming out of COVID or the never-ending movement to technology, we find that using technology to research before buying is a growing trend.

This is very evident in the Marine, Powersports, and RV industries. Consumers want to do more Online versus going into a dealership early in the shopping and research phases. This trend is growing as Rollick has asked this question in studies since 2020, and we are finding more and more information gathering is being done Online.

This area is also skewed toward a younger buyer who has grown up more Online and wants the shopping experience that way. However, the dealer is still critical because when all the information is gathered, especially financial information, and the consumer is ready to buy and take delivery, they are overwhelmingly going into the dealership to make that happen. But they are going into a dealership fully prepared with facts and figures.

Their Online preference is control and choice, especially in financial matters. The consumer is in control of what information they want to receive Online. They enjoy many opinions and options, and, in many cases, as past topics in this study indicated, they want these opinions and options given to them by an Online community.



XI. Reasons for not purchasing initial and repeat purchases (controllable by brand/ uncontrollable by brand)

One of the most important questions to ask, but probably never asked after a customer/dealer interaction, is, “Why did you not purchase a product?” Sometimes, a customer disappears or ghosts the salesperson they are working with if they even get that far in the shopping cycle.

However, the FOB study did study this issue in two context areas. First, why did the customer not buy the product they were currently shopping for? The easy and most frequently mentioned answer is price, especially in Marine, where the price is mentioned more frequently than any other factor, including low or no inventory, which comes in at a close second.

The third most cited factor is long wait times for products. But there are nine other factors, all measured in the FOB study, that impact why a customer walks away from a purchase beyond product issues. All factors are controllable by the brand or dealer, and all deal with communications, follow-up, and the interaction between customer and salesperson or dealership. While the interaction is sometimes in-person, much of the interaction is done Online, which is increasingly where a consumer has their first experience with a dealership.

A related question in the FOB study dealt with repurchase or customer loyalty. Why does a customer walk away from a brand or, in some cases, lifestyle?

Viewed differently than the initial inquiry, defection, loyalty, or repurchase defection has factors that the brand and uncontrolled control. Still, uncontrollable factors do not have less importance.

Again, controllable factors, such as price, inventory availability, and shopping experience, are product focused. However, there are many non-controllable factors that a brand may feel they cannot affect, like the impact of the stock market, a consumer’s financial comfort, or family makeup changing or aging out of the lifestyle.

While the sales and marketing teams at the brands and dealers might look at these factors and shrug their shoulders, knowing your customers’ pain points is probably essential to anticipating their needs or perhaps figuring out how to overcome them with creative financing offers, getting your customer to participate more in lifestyle events, etc.

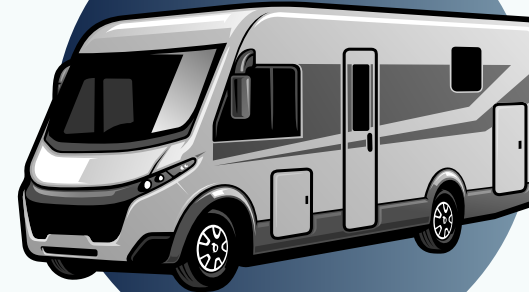
Additionally, a brand’s management may see these external factors as a crystal ball for influencing decisions to ramp up or ramp down production. No number of insights into your customer psyche is too much. Know everything you can, and you may be able to save a customer who may have one foot out the door of your business and lifestyle in general.

XII. What is in a consumer's garage and dock?

Every manufacturer wants to know what other outdoor products a consumer owns to have a consumer's garage or dock filled with that manufacturer's products. The good news for manufacturers is that your customers love their toys. On average, each product owner from all three categories, RV, Marine, and Powersports, owns at least two other products besides their primary one.

Then, if you break it down by industry, RVers tend to own products that are complimentary to the RV-protected lifestyle, as they own ATVs, Motorcycles, E-bikes, and Golf carts to use when the RV is parked. Marine owners tend to stick closer to their water category, perhaps showing that the water gene is more dominant or exclusive, but ATVs, Golf Carts, and Side X Sides are their ancillary products when they are not on the water.

Finally, Powersports product owners also tend to the significant Powersports product categories, plus a preference for holding a fishing boat, demonstrating nature on land and in the water.



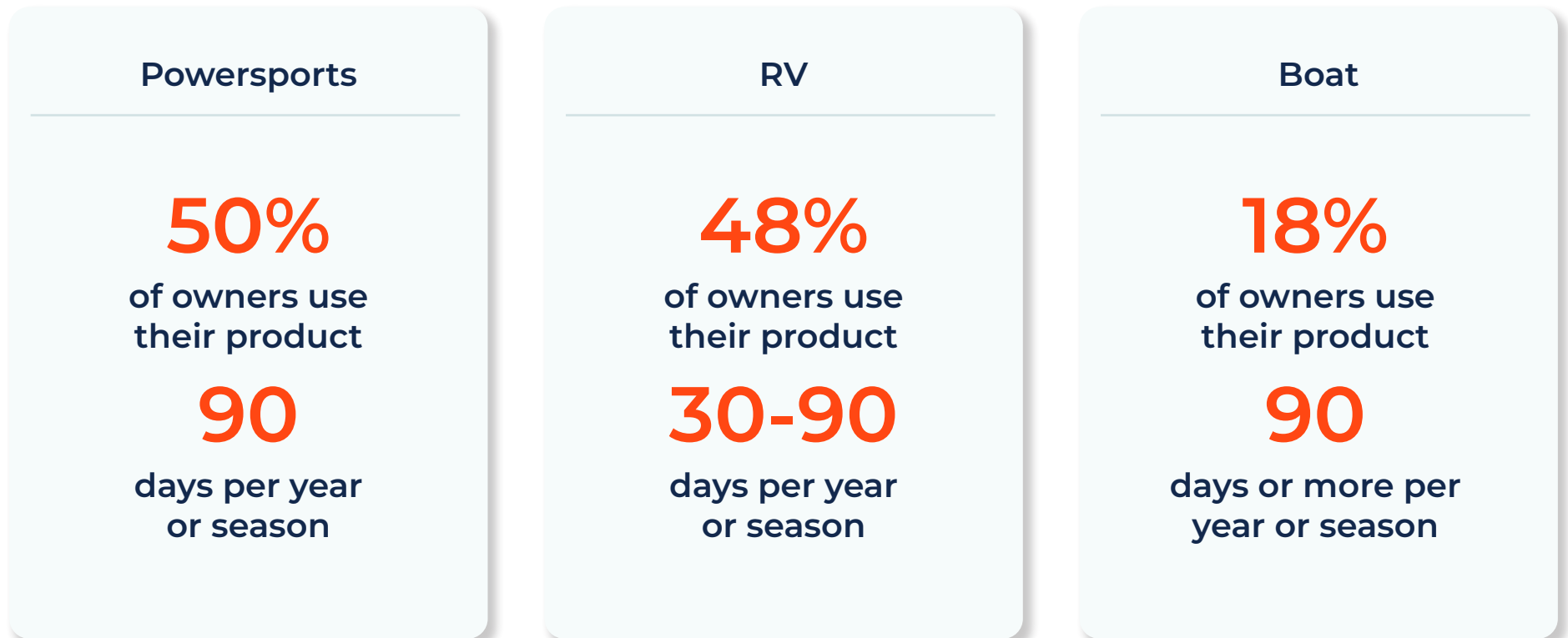
XIII. Frequency of product usage

With all these products in a consumer garage and dock, we wonder how they had time to use all of them. The usage time frame may show how consumers use all their products.

As expected, Powersports, because they have warm/cold weather usage, are used the most, with nearly 50% of owners using their products over 90 days, and Marine is used the least, with only 18% using a boat over 90 days. In RV, 48% of owner use their product for 30-90 days,

again reflecting hitting the road in the summer driving season or perhaps for snowbirds, hitting the road and going south in the winter.

The key to this data is to know when your customers use their primary product, and if a dealer or brand sells complimentary products, know that your customers are open to owning all sorts of outdoor products, as the data from “What’s in My Garage” proves this.



XIV. Deep dive into the rental market phenomena and the impact on converting renters to purchasers

This was a fascinating piece of data. While on the surface, most people, in fact, the large majority, have never used a rental service, those who have, to a considerable degree, felt that renting the product significantly increased their decision to own a product, so rental services could be a key to feeding the industry, future owners.

However, one caveat is that in Marine especially, a higher % have rented the product instead of owning, so while renting may be a direct correlation to buying, rental services in Marine, if done well, may keep future owners on the sideline with the attitude, “why own when you can rent?”

This phenomenon is also sweeping across the housing market, so it is something to keep an eye on. Also note that most owners want to avoid using their products in the rental pool, so manufacturers may have to supply the rental market with products, which is another source of revenue, albeit perhaps to the detriment of dealers.



In conclusion, the Future of Buying study by Rollick provides a **strategic roadmap** for navigating the evolving landscape of **consumer behaviors in the outdoor recreation industries**.

As the demographic profile of buyers shifts towards younger, wealthier, and more diverse segments, brands and dealers must adopt nuanced approaches tailored to the unique preferences and expectations of this changing customer base.

The study underscores the **paramount importance of trust in Online interactions**, emphasizing the need for transparent and responsive communication throughout the

extended purchase cycles prevalent in the industry. As technological preferences and financial considerations continue to influence consumer decisions, brands that prioritize personalized communication, seamless financing experiences, and a harmonious Online-to-dealership journey will be **better positioned for success**.

The study's insights into product ownership patterns and the potential impact of the rental market underscore the dynamic nature of the industry, urging stakeholders to **stay agile in their strategies** to build lasting customer loyalty across diverse outdoor recreation categories.