



A MARKET ANALYSIS ON THE GLOBAL BOATING INDUSTRY

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Bachelor's thesis
May 2012
Degree Programme in
Business Administration
Marketing and International
Business
Tampere University of Applied
Sciences

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ABSTRACT

Tampereen ammattikorkeakoulu
Tampere University of Applied Sciences
Degree Programme in Business Administration
Marketing and International Business

LAAKSONEN, TOMMI:
A Market Analysis on the Global Boating Industry

Bachelor's thesis 36 pages, appendixes 2 pages
May 2012

The purpose of this market analysis was to gather information for Pilkington Automotive concerning the 23 countries which represent the majority of the world's boating industry. The objective was to help Pilkington to improve their boat glass sales in the future. This kind of marketing research has not been conducted for Pilkington before so there was a need for it.

The research problem was: what is the current situation of the boating industry (23 biggest producers) and how will the markets develop in the future. The information was gathered by email from the 23 major boat manufacturing countries and manufacturers' internet pages.

Boating industry suffered due to the latest recession and many small companies were forced to go bankrupt or were acquired by bigger companies. The worst times are over and boating industry has been rising during the past few years. However it is impossible to forecast what the situation will be in 10 or 15 years.

Based on the data collected via e-mail questionnaire The United States is the biggest manufacturer by far and it produces more boats than the other 22 countries combined that are involved in this research. Moreover over a half of the employees in the boating industry come from the United States. Finland is a very significant country in boating industry. In terms of domestic boat building Finland is one of the biggest among 23 most important countries.

Key words: boating industry, market research, company, manufacturer

TIIVISTELMÄ

Tampereen Ammattikorkeakoulu
Liiketalouden koulutusohjelma
Markkinoinnin ja kansainvälisen kaupan suuntautumisvaihtoehto

LAAKSONEN, TOMMI:
Markkina-analyysi globaaleista venemarkkinoista

Opinnäytetyö 36 sivua, josta liitteitä 2 sivua
Toukokuu 2012

Tämän markkina-analyysin tarkoituksena on hankkia Pilkington Automotivelle lisätietoa kansainvälisistä venemarkkinoista 23 maailman suurimman veneenvalmistajamaan osalta. Työn tavoitteena on auttaa Pilkingtonia kehittämään omaa veneenlasimyyntiään. Pilkingtonille ei ole ennen tehty samanlaista markkinatutkimusta, joten sille oli tarve. Tutkimusongelmana oli : Millainen on venemarkkinoiden nykytila, sekä sen ennustettu kehitys lähivuosina.

Opinnäytetyö on käytännön kehittämistehtävänä suoritettu markkina-analyysi, jossa materiaali kerättiin 23 maailman suurimman venevalmistajamaan yhteyshenkilöille lähettämien sähköpostien avulla, sekä näiden maiden tärkeimpien veneenvalmistajien kotisivuilta.

Veneteollisuus kärsi viimeisestä lamasta ja moni pieni venealan yritys oli pakotettu menemään konkurssiin tai ne ostettiin isompien yritysten toimesta. Pahin aika on nyt ohi ja veneteollisuus näyttää kääntyneen nousuun viimeisten parin vuoden aikana. On kuitenkin mahdotonta sanoa, mihin suuntaan veneteollisuus tulee kehittymään 10 tai 15 vuoden kuluttua.

Valmistajamaista Yhdysvallat on ylivoimaisesti suurin ja se tuottaa enemmän veneitä, kuin 22 muuta maata, jotka ovat tutkimuksessa mukana. Myös noin puolet tutkimuksen mukana olleiden maiden veneteollisuudessa työskentelevistä tulee Yhdysvalloista. Suomi on veneteollisuudessa merkittävä maa. Suomessa valmistetaan kappalemääräisesti paljon veneitä verrattuna moneen muuhun tutkimuksessa mukana olevaan maahan.

Asiasanat: veneteollisuus, markkinatutkimus, yritys, valmistajamaa

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1 INTRODUCTION

1.1 Background of the research

Boating industry suffered because of the recession but it has been getting better at the same pace with the world's economic situation. Boating business in Finland is relatively big for a small country. There are also a number of companies working as sub-suppliers for boating industry in Finland. One of these companies is Pilkington Ltd. which is a major manufacturer of boat glass even globally.

Boat glass business is a relatively small part of Pilkington's business and the company wanted to gain more information about the current situation of the global boating industry and the major operators in it. They wanted to have more opportunities in the boat glass business and that is why they needed more information. This kind of research has never been done before to the company and that is why they felt it would give them valuable information.

Personally this is an interesting subject for me. I have always been interested in boats and while doing this research I got to know a lot more about the industry and the main operators in it. I have also worked in Pilkington and it was a natural choice for me to make this research for them. The sales manager of Pilkington suggested me the idea of doing boating industry market research and I accepted to do it.

1.2 Introduction of Pilkington Automotive

Pilkington was established in 1826 and 1849 it was converted to private company called Pilkington Brothers. In the year 1959 Pilkington invented float process that revolutionized glass manufacturing industry. Pilkington listed on London stock exchange in 1970. (Roycroft, 2010.)

A company called NSG acquired all outstanding equity of Pilkington in 2006 and took control of the operations. Today NSG group is a global leader of glass manufacturing for automotive and building products with net sales worth about 5 billion euros. It has operations in 29 countries and sales approximately in 130 countries. NSG also offers permanent positions for approximately 28500 employees worldwide. Group's vision is "making a difference to our world through glass technology" (Roycroft, 2010.)

NSG group's strengths are the successful integration with Pilkington that created a leading glass manufacturer and improved competitiveness. Reputation for manufacturing great quality products can also be listed as one of the strengths that the company has. (Roycroft, 2010.)

NSG group's automotive business also known as Pilkington Automotive supplies products to all major automotive vehicle manufacturers around the world. Pilkington Automotive has fabrication facilities in 31 sites in 16 countries including three in Finland. (Roycroft, 2010.)

1.3 Objective and purpose of the research

The objective of this research is to improve the sales of boat glasses Pilkington will sell in the future. This research will give Pilkington the opportunity to get to know new potential customers operating in the global boating industry. Boat glass business is still relatively small part of Pilkington's business and the goal is to improve in that field of business.

The purpose of this research is to find out the biggest boat manufacturers in 23 major countries operating in the global field of boating markets. I will also discuss the manufacturing capacities of the countries.

1.4 Progress of the research

Chapter two includes information about the recent history and the near future of the boating industry. I also discuss about the biggest boat manufacturing countries and what has been the situation in Finland in recent years.

Chapter tree three is about the international marketing research. This chapter includes the process of the marketing research and the differences between qualitative and quantitative research and collecting the information. The aspects of conducting the international marketing research and its problems are also discussed.

Chapter four is the research frame. This chapter introduces the methods I used for collecting the information. This chapter also includes my research problems and the research progress from the beginning to the end.

Chapter five presents the results of the research and includes charts about the different matters in different countries boating industries. Local boat productions and employees in boating industries are mentioned for example.

Chapter six is the conclusion and discussion part and chapter seven is reflections.

2 GLOBAL BOATING INDUSTRY

2.1 Recent history and the near future of boating industry

According to the Global Recreational Boating Industry Analysis and Forecast 2010-2015 by Lucintel the value of global recreational boat market shipment was \$18,21 billion in the year 2009 and is expected to grow to \$27,8 billion by 2015 with a compound annual growth rate of 8,9% over the next five years (2010-2015). The growth is expected to be biggest in Europe and Asia Pacific region (Global recreational boating...2010).

Boat market in Europe was having its highest relative growth in the years 2004-2009 just before the recession when the demand for European large size boats was high. Then hit the worldwide economic crisis and boating industry suffered like almost all other industries. In 2009 the boat market was down in every continent due to the global recession. European countries faced the biggest troubles during the recession as the rest of the world did not suffer as much as Europe. Poland is just one example. According to the Polish boating industry report 2010 it was estimated that there was even as big as 50% decline in production in Poland. The ability to manufacture 22 000 boats declined to as low as 10 000. In these hard times of crisis many companies were forced to reduce their employment up to 70%. Some companies were even forced to go bankrupt or were sold to the competitors. That happened to i.e. Norwegian Askeladden (bankruptcy, now is rebuilt by the new owner), German Dehler (bought by Hanse Yachts) or French Dufour and Grand Soleil (merged with Bavaria). (Nietupski, 2010.)

As the world was slowly beginning to recover from the recession the boating industry started to recover as well. The Polish boating industry report says that due to many reports there are signs that the global boating industry is growing but slowly. (Nietupski, 2010.) The International Council of Marine Industry Associations (ICOMIA) is more skeptical about the growth. Arlene Sloan writes

in ICOMIA boating industry statistics 2010 “Despite some signs of recovery, consumer confidence remains elusive”. (Sloan 2011, 1) There are some obvious reasons that have an inevitable influence on consumer confidence on boat buying. The spreading debt crisis in Southern Europe and the credit downgrades in America just to name a few. (Kleinitz, 2012.)

In the year 2010 the statistics of boating industry remained elusive especially with relation to smaller manufacturers as they were not able or did not want to provide solid sales data (especially when the news might have been negative). Available data came mainly from the largest companies and the ones listed in public (ICOMIA boating industry...2011).

According to ICOMIA’s market overview from the June of 2011 there are indications that the industry is going to right direction. Many marine companies have healed since the onset of the last financial crisis and have adapted their operations well to the changing markets. On the other hand it is inevitable that some businesses will go bankrupt and some merge with each other. As the operating environment gets even tougher the bigger companies will be running over the weakest smaller ones. Depending on the segment the market is 25-30% smaller than it was four years ago. The leaders in the industry are gaining a larger part of the business. Unfortunately at the expense of smaller ones. (Kleinitz, 2012.)

2.2 Biggest boat manufacturing countries

In terms of domestic boat building United States of America is the biggest boat building country in the world by far. North American boat market has always been bigger than the market in Europe but Europe exceeded North American market in dollar value for the first time in 2010.

In the year 2010 there was 517 630 boats built in the USA only and the next biggest manufacturing country was France with 24 739 units built mainly because of the big brand Groupe Beneteau which is one of the largest boat

manufacturing companies in the world. After those two biggest the next on the list are Poland with 16 610 units and Italy with 12 010 units. Italy has also two of the biggest companies in the world. Azimut-Benetti owns numerous boat brands and is the world leader in private luxury boating. Ferretti Group is also a major and very important yacht building company from Italy. (Kleinitz, 2012.)

When observing the total turnover of boating industry and the number of companies around the world USA still remains the biggest with the turnover of 68,741.87 million euros and 1125 boat builders. Next biggest in turnover is United Kingdom with 3,543.30 million euros but relatively small amount of 380 boat builders. Italy and France complete the top four with the turnovers worth 3,336.00 and 2,950.50 million euros. Those two on the other hand do not have as many boat builders as the next two on that list; Turkey with 450 boat builders and Australia and Germany both with 400 boat building companies. (Kleinitz 2012.)

2.3 Finnish boating industry

Finland has its own stable place in the world of recreational boating industry. The trade was on a high level already in the year 2004 and it had been rising continuously for a few years. At that point it was commonly believed that the trade is going to reduce when approaching the year 2005 but exactly the opposite happened. In the year 2005 the sales rose first time in the history to over 100 million euros. 30 percent of the sales came from imported boats. (Huju 2006.)

In 2006 sales kept on rising and the growth to 2005 was 14.2% and ended up to 116.9 million euros. At that point 38.5% of the boating companies announced that they will hire more employees. The percentage of Finnish boats exported was 75 % in the year 2006 and the main export countries were Sweden and Norway. (Huju, 2007.) At the end of the year 2007 the turnover kept on rising and the growth compared to year 2006 was as high as 40%. However the unit sales had not grown that much and the reason the turnover grew to 162.3

million euros was customers' willingness to buy bigger and better equipped boats. One third of the companies had to hire more employees. (Huju, 2008.)

After increasing many years the sales finally calmed down in 2008 but still ended up with a slight growth of 4.1% compared to the year 2007. The recession was starting to show in the customers' confidence little by little as the unit sales reduced in almost all boat size categories. (Huju, 2009.) Year 2009 was the worst year in ages for the Finnish boating industry. Turnover was as low as 97.7 million euros and it had not been that low since 2004. The change compared to the year 2008 was devastating -47.9%. (Huju, 2010.)

In 2010 Finland was recovering from the recession as was the boating industry. The turnover rose back to 123.9 million euros and the growth was 26.8%. (Huju, 2011.)

The future in Finnish boating industry seems bright as the turnover is expected to grow still in the years to come. 13% of the companies are planning to hire more employees this year. Exports are on high level and there are no signs of any downturn in demand. (Huju 2012.)

Among these 23 countries included in this research Finland is a little bit above average in terms of domestic boat production and a little bit below average in total turnover in boating industry. In persons per boat category Finland is second with seven persons per one boat. Only country with fewer people per boat than Finland is Norway with six persons per boat. (Kleinitz, 2012.)

3 INTERNATIONAL MARKETING RESEARCH

3.1 Marketing research in general

Marketing research is a tool for a marketer which combines the consumers, the customers and the audience with the marketer. When talking about marketing research it is clear that the object of the research must be markets. Market research as a term describes the part of the marketing research where one is researching the texture of the markets, operators in the markets, competition and common trends. As a term market research is commonly used as any effort to gather information about the customers and the markets. (Mäntyneva 2008, 10.) (McQuarrie 2006, ix.)

Marketing research should provide relevant, accurate and timely information. The researcher must decide what method he or she uses to gather the information. It is also necessary to think about the problem of the research. After the researcher has figured the problem out he or she is able evaluate which research data solves best those problems. (Mäntyneva, 2008, 53)

Today more and more businesses feel that they have a need for market research. Business environment is changing rapidly and it is more complex than before. Markets are for example changing character and economic situations are varying rapidly, the competition gets harder and technology is developing. Because of those reasons benefits of making effective market research can be very valuable. (McQuarrie 2006, ix.)

However the market research alone is not the key to instant success. One has to be able to use the information intelligently to gain the best possible benefits that market research has to offer. The key to the competitive edge is not only having the information but instead the correct use of it. (Shukla, 2008, 14.)

Marketing research can be seen as a process with several stages that has to be gone through in order to complete a research. (Mäntyneva 2008, 13-14.) First

stage is defining the problem. The researcher must be aware of what is going to be researched and how to limit the research topic. Next stage is to create a research plan. Plan can be relatively formal but it should be made according to the goals of the research. It helps the researcher to figure out what to do and when to do. After the plan is done the researcher has to decide how to collect the research information. This stage is usually added to the research plan. Next two stages of the research are the actual collecting of the material but before that the researcher usually creates the research form and the body of the possible interview questions. Last stages are analyzing the research and making a written research report and introducing it to the commissioner. (Mäntyneva 2008, 13-14.)

Some marketing research companies use panel research method where they keep up permanent members. The members have promised to report their information for example about their buying habits or what they are about to buy to the marketing research company. (Mäntyneva 2008, 50.) The European society for opinion and market research (ESOMAR) has created a code for a market research with the following purposes in mind. Market researcher shall follow the ethical rules. Researcher must remember to emphasize a special responsibility when seeking the opinions of children and young people. (ICC/ESOMAR, 2007.)

3.2 International marketing research

Conducting the international marketing research is essential for companies whose goal is to go international because of the diversity and complexity of the international environment. Decent research helps avoiding costly mistakes and lost opportunities that can occur if a company decides to go abroad. (Craig, 2005.)

A company will face considerable difficulties when collecting primary and secondary data from foreign markets. People in different countries might have different opinions of the data they consider reliable. In one country e-mail questionnaires are given a certain level of reliability but in other country the same reliability is given only to face-to-face interviews. If the international research is made for the purpose of expanding abroad, there are many points that have to be considered compared to the domestic research. For example the analysis of foreign exchange rate, political risk and financial markets are recommendable to be taken care of. International marketing research helps to become familiar with foreign environment and the operations within these environments. (Craig, 2005.)

A company will face considerable difficulties when collecting primary and secondary data from foreign markets (Craig, 2005). More and more problems in international marketing strategy are solved nowadays with using only the secondary data. In the past it was different when the collection of primary data was an essential part of marketing research. That is not the case anymore because of the enormous amounts of the secondary data available online. This trend of using secondary data is growing because the collection of primary data is much more expensive and time consuming. Evaluation of the data collected from the internet is crucial to avoid unreliable sources. Different sources might give different values. For example measurement units can be different in different countries and industrialized countries usually provide more accurate figures than developing countries. (Schmidt & Hollensen, 2006, 11.)

The basic principles of domestic and international research are basically the same. However the person conducting the international research is expected to

face more difficulties than the person making a domestic one simply because the international researcher has to operate across national border (Craig, 2005). Other problems considering the international market research are the complexity of the international environment and in particularly the linguistic and sociocultural diversity. (Craig, 2005.)

There are two types of international marketing research. Academic research has an objective of understanding the behavior of consumers and organizations in foreign countries. Commercial research like this one has an objective of making profit to the organization by searching international market opportunities. Commercial research is concerned with collecting information to help making decisions relative to international markets. In commercial research it is essential to determine the availability of secondary data sources. Prior to the research the researcher should involve some desk research based on secondary data. The common thing in these two researchers is the academic theory they both have as a guide to research design. (Craig, 2005.)

Planning an international market research properly is essential because of the complexity of conducting the research in international markets (Craig, 2005). Some methodological issues can be faced by the cross-cultural researcher as well as legal points when conducting the research (Schmidt & Hollensen, 2006, 13). It must also be realized that because of the environmental differences the research planned to one country might not be appropriate in some other country (Schmidt & Hollensen, 2006, 13).

3.3 Marketing research methods

Marketing research can be done by desk-research or field research or combining these two. In desk research the researcher exploits already existing material as much as possible. The advantages of desk research are for example low costs and time saving. There might be some restrictions also in desk research. For example the information might be irrelevant with the problem of the research or the information might be too old. (Mäntyneva 2008, 28-30.)

In desk-research information collected consists of secondary data. Secondary data means a data that has been collected by someone else than the user. Secondary data can be either internal or external. Internal secondary data means the data which is gathered within the organization where the research is made. Internal information is usually inexpensive and can be gathered for example from the sales and pricing data of the company. Internal secondary data is used for example to define the competitive position of the company or gaining information of the company's customers. (Steppingstones, 2004.)

External secondary data is collected from the outside sources such as magazines, library sources, annual reports, general business publications and academic publications etc. Good way to start gathering external secondary data is usually a library. (Steppingstones, 2004.)

Some advantages of using secondary data are time and cost savings. Secondary data research can be completed quickly and when the data is available all the researcher has to do is locate the source. There are also some disadvantages in using secondary data (Steppingstones, 2004). One of the main problems in secondary data is its difficulty to compare the data received from different countries (Schmidt & Hollensen, 2006, 33). For example business statistics and income data might vary because of the different tax structures (Schmidt & Hollensen, 2006, 13). Sometimes the information can also be insufficient and unreliable. Secondary data can also be old and therefore may not reflect the current market situation (Steppingstones, 2004).

Field research is usually combined with the desk research when the information of the desk research is not enough to solve the research problem. Field research can be done for example as surveys, personal interviews, telephone interviews, postal questionnaires or internet questionnaires. (Mäntyneva 2008, 31-33.) Field research can be either qualitative or quantitative. Qualitative research is more profound and the persons taking part in the research are often chosen beforehand. Qualitative research aims to answer questions like why and how people act like they act. Quantitative research on the other hand aims to clarify the questions what, where and when. (Mäntyneva 2008, 31-33)

In both quantitative and qualitative research it is essential to create a correct questionnaire. Researcher must remember that it is not possible to execute a good research with badly constructed questionnaire that does not concentrate on the right questions. According to Mäntyneva (2008) there are seven steps one has to remember when creating a research form. First the researcher must clarify the goal of the research. Second, he or she has to define the content of the questions. After that the researcher has to format the questions in a right way and choose the question types. Forming the questions in the right order and testing the form for possible revisions are the last parts in creating the form. (Mäntyneva, 2008, 53)

4 RESEARCH FRAME

4.1 Research problem

Main problem that I wanted to solve in this research was:

What are the manufacturing amounts of the 23 countries that represent the majority of the boat manufacturing in the world and what is the overall situation worldwide of the boating industry.

My research questions are:

- 1.How will the boating industry develop in years to come?
- 2.Which are the biggest boat manufacturing countries in the world?
- 3.How many boats did the biggest manufacturing countries produce?

4.2 Research method

A market research like the one that I have done can be either qualitative or quantitative of nature. Because the nature of qualitative research is more profound than quantitative, the methods of collecting the material are different. Qualitative research seeks answers for the problems like people's opinions, feelings or attitudes that quantitative research cannot answer. (Mäntyneva 2008, 69.)

In this case a research combining quantitative and qualitative features was used. The research method chosen was a case study. In case study one target is chosen for inspection to search deeper information that offers as complete understanding as possible. Case study is a form of qualitative research because it looks intensively to certain participant (in this case boat

manufacturing countries) where the deeper information is wanted. I used case study because I wanted to learn details about the specific countries I chose to investigate in this research. (Case study..., 2012)

There are several different options for collecting the information for marketing research. The main thing in choosing how to collect the information is to be aware of the research problem and what will the researcher want to find out. Reaching the target group can set limits when collecting the information. (Mäntyneva 2008, 47.)

The traditional way of collecting information for case study is either a structured interview with individuals and reading documentation related to the case. Nowadays even more and more case studies are made via internet because of the enormous savings in travelling and time. Usually they are made by sending questionnaires via electronic mail. (Chadwick, D.W.) These are all methods that I used for my research.

Collecting the information for quantitative research can be executed by making a survey what is commonly used method for representing the opinions of big target groups. Information collected from survey can also be used as a pre research for more accurate researches in the future. (Mäntyneva 2008, 48.)

In mail surveys the researcher posts the question form to the target group and usually adds a return envelope and pays the post return fees. The problem in mail surveys is the lack of answers because people might be lazy to take the answer to the mailbox. (Mäntyneva 2008, 49.)

Omnibus research means a research where the commissioner of the research can add its own questions to the research and in that way the cost of the research can be shared between the commissioner and the researcher. (Mäntyneva 2008, 49.)

Internet surveys are a growing method in making a questionnaire for research. The problem in internet questionnaires is the same than in letter questionnaires; the lack of answers. Internet questionnaires can be implemented by sending an

e-mail with the question form attached or researcher can use pre made programs that can be found in the internet for creating the questions. (Mäntyneva 2008, 50.) In this study I created a short e-mail questionnaire using a few questions to collect some statistical information and the trends about the industry.

There are stages in analysing the qualitative research information that can be used in all qualitative researches. One frame that can be used is following. First it has to be decided what parts of the data is essential and concentrate on that. All the unnecessary information must be left out of the research. After the essential data is collected the data must be classed, themed and litterated. (Mäntyneva 2008, 76.) In this research collected data consisted of numeric information which was presented in a table form. Other textual information was themed.

5 RESEARCH RESULTS BY COUNTRY

5.1 Introduction to the research process

This chapter contains first information about the research process and then the results of my research in form of three charts which contain information on all 23 countries which included in this research. These three charts are general information about boating in the country, different types of boats parked in the country and domestic boat production. Data is from the year 2010. Countries are in alphabetical order. Letter combination N/K (not known) means there is no available data from the matter.

Term explanations:

General charts

Persons per boat = the amount of boats divided with the population

Berths/slips/open mooring = terms for the location where boats are berthed for example in harbors and ports

Marinas/yacht harbours = a basin with open moorings and docks for smaller boats (no large passenger ships)

Employees in boating industry = How many people work for certain country's boating industry

Boat builders = the number of boat building companies

Boat park and domestic boat production charts

Total = How many boats are parked in the country

Inflatable boat = Small boats with sides made of flexible tubes. The tubes contain pressurized gas.



Picture 1. Inflatable boat (Mercury marine, 2012)

Other rigid boats incl. outboard motor boat = Like inflatable boat but with a fiberglass hull.

Inboard/sterndrive motor boats = Motor boats with the inboard engine located just forward from the transom.

Sailboat = Boats that are fully or partially propelled by sail.

5.2 Research process

The whole process of making the research and writing the thesis took approximately one year. The chart below shows the process of my research work.

Chart 1. Timetable

Point Of Time	Task
Summer 2011	Agreement on the topic of research
Autumn 2011	Gathering the information and making the research plan
Winter 2011	Gathering the information and making e-mail questionnaire
January 2012	Theory writing and gathering e-mail addresses
February 2012	Sending e-mails and making charts
March 2012	Making charts and writing theory part. Making corrections
April 2012	Making the necessary corrections
May 2012	Making the necessary corrections and presenting the research

In the summer of 2011 I was working in Pilkington and they suggested me the idea of making a market research about boating industry.

I started working on this research in the autumn of 2011 by making a research plan. At this point of time the subject was limited to the most important 23 countries instead of every country in Europe and the other continents.

In the winter of 2011 I started to gather the information about these 23 countries. At first I tried to find it in the internet and I was looking into the possibilities of getting payable information about the subject but it did not work out. I started to look in the internet for the most important boat builders in those countries.

In January of 2012 I started writing the theory part about marketing research. I also started gathering the e-mail addresses of the persons working in the local boating industries and started planning the e-mail questionnaire I wanted to send them.

In February of 2012 I had finished the e-mail questionnaire and I sent it to the persons whose e-mails I had gotten. I ended up sending 23 e-mails and by the end of February I had received 4 responses. I started making charts based on the information I received via e-mail. I also started to write the section of global boating industry. I returned my first version of the thesis to my supervisor.

In March of 2012 I wrote more about marketing research theory and global boating industry. I sent more e-mails for example to the editor-in-chief of the International boat industry wishing to get the list of the world's biggest boat manufacturers but did not get it. I continued to search for the manufacturers in the internet.

In April of 2012 I added more text to the international marketing research chapter and sent the second version of the thesis to the supervisor. I made corrections to the references section.

In May of 2012 I still added text to the international marketing research chapter concentrating on the secondary data and conducting the international marketing research. I also restructured the appearance of the research and changed the charts to a better readable form. I also made corrections to the conclusion chapter, made corrections to the references and made this timetable.

5.3 Information gathering

I gathered information via electronic mail. Totally I sent 23 electronic mails. I sent a mail to one known manufacturer in every country that I involved in this research. I ended up getting only four responses with two of them including valuable information. The usable ones I got from Poland and Australia.

The person who received my e-mail in Australia forwarded it to the technical manager of Icomia Mr. Udo Kleinitz. The response from Mr.Kleinizt included the information about all the 23 countries I will present in the next chapter. That

same e-mail included also a short report of the situation of world's boating industry that I used in the global boating industry chapter.

I tried to collect information about the world's biggest boat manufacturing companies. I sent e-mail for example to the chief editor of IBI (International boat industry) magazine but he was too busy to collect me the information that they did not have out of the shelf. I ended up collecting the information about the companies from their own internet sites but the information in them was usually more defective than I would have wanted. The information about the companies included country, address, e-mail address telephone number and Internet site. The big part of them did not report their sales figures.

5.4 Results of market analysis

The chart below shows all the 23 nations in alphabetical order and the amounts (units) of the boat builders, employees in boating industry, persons per boat, marinas/yacht harbours and berths/slips/open moorings in those countries.

Chart 2. General information (Kleinitz, 2012)

Nation	Boat builders	Employees in boating industry	Persons per boat	Marinas / yacht harbours	Berths / slips / open moorings
Argentina	153	7,100	252	251	85
Australia	400	28,500	27	490	66,500
Croatia	48	N/K	N/K	156	16,848
Czech Republic	8	390	644	15	1,430
Denmark	N/K	N/K	101	250	N/K
Finland	60	2,700	7	1,770	80,900
France	186	40,500	128	N/K	N/K
Germany	400	20,000	165	2,700	N/K
Greece	90	14,500	71	22	9,300
Ireland	N/K	800	157	22	16,360
Italy	N/K	23,350	98	421	153,160
Japan	75	N/K	573	570	N/K
Netherlands	1,000	17,000	31	1,135	188,000
New Zealand	140	8,740	9	207	22,500
Norway	50	11,500	6	30	N/K
Poland	170	38,200	649	1,293	802,000
South Africa	50	2,700	9,587	N/K	N/K
Spain	25	16,000	210	358	129,554
Sweden	50	15,000	11	>1500	200,000
Switzerland	20	1,500	78	N/K	N/K
Turkey	450	62,000	941	62	42,000
UK	380	32,500	114	545	237,171
USA	1,125	353,600	19	11,000	80,000
TOTALS	4,880	696,580	13,878	21,297	2,045,808

As the figure shows USA dominates in almost every category expect persons per boat and berths/slips/open moorings. USA also has almost half of the total

number of employees in boating industry. The figures of Netherlands are only estimated so one should be critical about them. Scandinavian countries are quite equal in every category except Norway has much smaller amount of marinas/yacht harbours than Finland and Sweden. It can also be interpreted from the chart that Czech Republic is the least important boating country on the list (excluding Denmark because of so many not know cells). Totals exclude not known figures. The most important information for Pilkington in this chart is the "boat builders" category. The United States and Netherlands have the most boat builders.

The chart below includes the amounts of different types of boats there is located (units) in the 23 countries. It includes sailboats, inboard/sterndrive motor boats, other rigid boats including outboard motor boats, inflatable boats 2,5m+ and 20kg+ and totals(excluding not known figures)

Chart 3. Boat park (units) (Kleinitz, 2012)

Nation	Sailboats	Inboard / sterndrive motor boats	Other rigid boats incl outboard motor boats	Inflatable boats 2.5m+ and 20kg+	Totals (excluding not known figures)
Argentina	3,902	18,570	108,909	27,919	159,300
Australia	N/K	N/K	N/K	N/K	788,000
Croatia	N/K	N/K	N/K	N/K	N/K
Czech Republic	2,797	2,665	4,456	6,365	16,283
Denmark	31,350	23,650			55,000
Finland	N/K	N/K	N/K	N/K	737,000
France	N/K	N/K	N/K	N/K	506,000
Germany	195,227	193,419	115,149	N/K	503,795
Greece	3,805	13,403	117,397	16,726	151,331
Ireland	N/K	N/K	N/K	N/K	27,000
Italy	18,843	82,695			617,638
Japan	11,000	201,000		12,000	224,000
Netherlands	202,000	146,000	175,000	N/K	523,000
New Zealand	43,180	20,380	401,315	28,279	493,154
Norway	58,500	275,000	415,000	110,000	858,500
Poland	36,045	2,030	20,510	N/K	58,585
South Africa	N/K	N/K	N/K	N/K	5,111
Spain	13,455	154,178	N/K	52,365	219,998
Sweden	105,000	120,000	616,000	40,000	881,000
Switzerland	31,795	60,911	6,537	N/K	99,243
Turkey	9,030	29,570	24,800	15,245	78,645
UK	212,305	94,805	155,850	78,600	541,560
USA	1,531,753	2,601,913	12,533,266	N/K	16,666,932
TOTALS*	2,509,987	3,732,844	14,694,189	387,499	24,211,075

* Totals exclude not known figures, Data from UK is from 2009.

This figure shows that more than half of all boats in these countries are in the United States. There is no information of Croatia available. In the sailboat

category United Kingdom and Netherlands are after USA on the list. In the category of “other rigid boats including outboard motor boats” USA dominates the list with over 90% of the total. Finland finishes fifth in the list in the category of total boats. Norway’s figures are estimated. This chart shows how many boats there are already in the country which gives an idea of the size of the market and of the potential interest that consumers in the market have in investing in boats..

The chart below shows the amounts (units) of different types of boats that are manufactured locally in these 23 countries. The categories are the same than in chart 2.

Chart 4. Domestic boat production (units) (Kleinitz, 2012)

Nation	Sailboats	Inboard / sterndrive motor boats	Other rigid boats incl outboard motor boats	Inflatable boats 2.5m+ and 20kg+	Totals (excluding not known figures)
Argentina	165	265	6,804	940	8,174
Australia	N/K	N/K	N/K	N/K	N/K
Croatia	42	116	394	193	745
Czech Republic	29	N/K	516	N/K	545
Denmark	572	5			577
Finland	30	693	6,402	N/K	7,125
France	4,755	3,318	3,045	13,621	24,739
Germany	1,196	1,050	N/K	N/K	2,246
Greece	11	73	2,999	585	3,668
Ireland	N/K	N/K	N/K	N/K	24
Italy	228	1,470	2,916	7,396	12,010
Japan	172	254	3,531	7,735	11,692
Netherlands	N/K	N/K	N/K	N/K	1,750
New Zealand	447	545	2,450	1,400	4,842
Norway	5	1,750	2,850	100	4,705
Poland	5,080	1,530	10,000	N/K	16,610
South Africa	N/K	N/K	N/K	N/K	1,300
Spain	63	1,262	N/K	255	1,580
Sweden	N/K	N/K	N/K	N/K	N/K
Switzerland	N/K	N/K	N/K	N/K	N/K
Turkey	540	1,060	3,510	1,145	6,255
UK	593	1,215	365	725	2,898
USA	4,300	29,530	459,500	24,300	517,630
TOTALS*	18,228	44,131	505,282	58,395	629,115
* Totals exclude not known figures					

The United States is clearly number one also in domestic boat production with over 80% of the total boat production. Only category where USA is not number one is sailboat production where Poland is on top of the list. There is no data available of Australian domestic boat production. Finland is specialized in producing other rigid boats including outboard motor boats and is fourth biggest

in that category. Overall France is the second most important boat manufacturing country after USA. The biggest category in France's boat production is Inflatable boats 2.5m+ and 25kg+. Norway has a huge amount of boats (third in the chart 2) but the domestic boat production is not that big. (number 10 in the chart 3). In this chart the most interesting category for Pilkington is "inboard/sterndrive motorboats" because they are the ones that normally have glasses. This category also includes bigger boats that might have multiple glasses like windshields and cabin windows. Other boat types might be so small that they don't even have glasses.

The lists of the manufacturers in Europe and the rest of the world can be found in appendixes.

6 DISCUSSION AND CONCLUSION

In my process of making an international market analysis I faced some problems the researchers usually face when making researches across national border with small budget or no budget at all. I could not make any face to face interviews with the participants and I had to rely basically only on e-mail. (Craig, 2005.) The biggest problem though was the lack of responses to my e-mails, which is typical difficulty in making surveys in Internet (Mäntyneva ,50).

Pilkington is an international company and I believe this commercial research will help them to figure out to which countries the boating industry is focused and by that giving them some points when making decisions related in international markets. It is important to be aware of the points that should be considered like foreign exchange rates and political situations when going for new businesses in new countries. (Craig, 2005.)

As it is said in marketing research theory it should provide relevant and accurate information (Mäntyneva 2008, 53). In this research the secondary data I received was the latest information available at that time and I got very accurate numbers about the boating industry. The sources were also carefully checked and noted reliable. I managed also limit the subject to the measures that I was able to handle. (Craig, 2005.)

For collecting the information I used e-mail questionnaire and I was aware based on the theory that the lack of answers might occur (Mäntyneva 2008, 50). It also happened and my response percentage was about 20%.

Desk research turned out to be a good choice for this research even if it is said that the information might be irrelevant and not up to date (Mäntyneva 2008, 30). All the information I got was absolutely relevant and updated. Making the questions for the e-mail was easy because I knew exactly what I wanted to know because we had talked about it with my partner company. However some answers included information I did not need in this research and I left them out.

I did not have the problems using secondary data that was written in the theory (Craig, 2005). I also did not have any ethical problems in the process of this research (ICC/ESOMAR, 2007).

Market research covers the texture of the markets, operators in the markets and common trends (McQuarrie 2006, ix). My information about the operators in the markets was a little bit defective because I did not succeed in finding the total sales of the operators. However I succeeded in collecting the information about the common trends in the markets in terms of different countries.

The results of international boating industry are very much the same as I thought before I wrote them down. According to ICOMIA's market overview (2012) from the June of 2011 the situation of the boating industry is going to the right direction.

I believe that the biggest opportunities in expanding Pilkington's boat glass business are the United States because of the huge amount of the boat manufacturers. Pilkington should be able to compete with the local glass suppliers with the price and quality but that is not going to be easy. It would be also more profitable to try to get to contact with the big manufacturers because the large number of the smaller ones have been acquired by them. The problems in the United States economic situation should not be forgotten. For example the credit downgrades would cause some problems (Kleinitz, 2012).

The boating business growth is expected to be the biggest in Asia Pacific region (Global recreational boating...2010). That area would be worth further investigation. There might be some unexpected problems when doing business with the Asian countries but Pilkington already has other businesses in Asia so they are familiar with the problems.

Based on my research results considerable opportunities in boat glass markets would be in the countries that have the biggest local boat production. Top five in that category after the United States are France, Poland, Italy, Japan and Argentina.

7 REFLECTIONS

I found making this research very interesting and I learned a lot of worlds boating industry and the major countries operating in it. It was not a surprise that USA is the biggest in almost every category but it was surprising that they are almost as big as the rest of the world.

Collecting the information for this research was not an easy task. I was disappointed of the lack of willingness to answer my questionnaire. Also the information about the situation, history and the future of boating industry is pretty difficult to find. There are number of researches made by professionals and they cost a lot of money.

I am still quite satisfied with the research I was able to create even if the information at some points felt limited. I feel that I was able to find valuable information about all the 23 countries that were included in this research. Of course this is not a research made by a professional but the data has been collected from the professionals so I do not see any reason not to consider this research reliable. My goal was to collect valuable information about all the 23 countries that were included in this research and I also managed to do that. For some countries more and for some countries less.

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APPENDIXES

Appendix 1: European boat manufacturers by country

<u>Country</u>	<u>Manufacturer</u>	<u>Address</u>	<u>E-Mail</u>	<u>Internet</u>
Denmark	Kirk Marine	Limbo både i/s, Havnevej 2, 7770 Vestervig, Agger, Denmark	limbo@krikmarine.dk	http://www.krikmarine.dk
Finland	Bella Boats	Väliköntie 10, 70700 Kuopio Finland		http://www.bellaboats.com/fi
France	Beneteau	16 Boulevard de la Mer, 85800 Saint Gilles Croix de Vie France		http://www.beneteau-group.com/en/
Germany	Bavaria	Bavariastraße 1, D-97232 Giebelstadt, Germany	info@bavariayachtbau.com	http://www.bavariayachtbau.com/
Ireland	Safehaven Marine Ltd	Safehaven Marine Ltd, Ashgrove Cobh. Co Cork, Ireland	info@safehavenmarine.com	http://www.safehavenmarine.com
Italy	Azimut – Benetti Group	Via M. L. King, 9/11, 10051 Avigliana - Turin Italy	customercare@azimutbenettigroup.com	http://www.azimutyachts.com
Italy	Salpa Yachts	Strada Provinciale 333 - Loc.Bovenzi,7, Zona Industriale, Capua Nord 81041 Vitulazio Italy	info@salpa.com	http://www.passionforinnovation.info/
Norway	Dolvik	5302 Strusshamn, Norway	mail@dolvik.no	http://www.dolvik.no/
Norway	Hydrolift	Mosseveien 53 NO-1610 Fredrikstad, Norway	sales@hydrolift.com	http://www.hydrolift.com/
Poland	Cobrey	05-220 Zielonka K/Warszawy, ul. Bankowa 43.	info@cobrey.pl	www.cobrey.pl
Sweden	Nimbus Boats Ab	Box 5152, S-426 05 Västra Frölunda, Sweden	info@nimbus.se	http://www.nimbus.se
Turkey	Barbados	Tersaneler Bolgesi. Nuh Sanayi Sitesi. D. Blok. No:30 Istanbul Turkey	barbados@barbados-tekne.com.tr	http://www.barbados-tekne.com.tr/
United Kingdom	Northcoast Boats	75 Ballou Blvd., Bristol, Rhode Island 02809, United Kingdom	sales@northcoastboats.com	http://www.northcoastboats.com/
United Kingdom	Peter Freebody & Co	Thames Boathouses, Mill Lane, Hurley, Berkshire, United Kingdom. SL6 5ND	office@peterfreebody.com	http://www.peterfreebody.com/
United Kingdom	Plancraft Marine Ltd	Unit 4, Little Shellwood Farm, Clayhill Road, Leigh, Surrey. RH2 8PA, United Kingdom	sales@plancraft.co.uk	http://www.plancraft.co.uk/
United Kingdom	Sportique Boats Ltd	Firebeacon Bridge, Covenham, Louth, Lincolnshire, LN11 0PA, united Kingdom	info@sportiqueboats.co.uk	http://www.sportiqueboats.co.uk/

Appendix 2: Boat manufacturers in other continents

<u>Country</u>	<u>Manufacturer</u>	<u>Address</u>	<u>E-Mail</u>	<u>Internet</u>
Argentina	Bermuda Boats	Avenida Del Libertador Gral. San Martin 1646, San Fernando, Buenos Aires	bermuda@fibertel.com.ar	http://www.lanchasbermuda.com.ar
Australia	Alu-craft	9 Possner Way, Henderson Western Australia 6166	sales@alucraftboats.com.au	http://www.alucraftboats.com.au
Australia	Brooker Marine	PO Box 116, Ermington NSW 1700, Australia	enquiries@brookermarine.com.au	http://www.brookermarine.com.au
Australia	Cruise Craft	PO Box 301 Wynnum QLD Australia 4178	info@cruisecraft.com.au	http://www.cruisecraft.com.au
Australia	O'Brien Boats	P.O. Box 7498 GARBUTT BC Townsville 4814 Australia	obrienboats@anet.com.au	http://obrienboats.com.au/
Australia	Riviera	50 Waterway Drive, Coomera QLD 4209, Australia		http://www.riviera.com.au/
New Zealand	Amf	234 Taupo Quay, Wanganui, New Zealand	rcm@xtra.co.nz	http://amf.co.nz
South Africa	Argo Boats	7 Osmond Road Helderberg Industrial Park, Strand Cape Town 7140	mail27@argo-boats.com	http://www.argo-boats.com/