



Looking Towards The Future: Generation X and Y's Importance

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There are three major demographics that boat manufacturers and dealers should be concerned about. The oldest is the baby boomers, who are around the ages of 51 to 69 in 2015. This generation is the current largest demographic that is buying boats. The middle generation is Generation X, who are around the ages of 35 to 50 in 2015. This group has the largest spending power but is greatly overlooked because they are not a large population. Finally, we have the millennials (also known as Generation Y), who are around the ages of 18 to 34 in 2015. Out of the three groups, this has the largest population. According to data from the U.S. Census Bureau, by the end of 2015, there will be an estimated 75.3 million millennials, which will surpass 74.9 million boomers. Generation X is not expected to surpass the boomer population until 2028.

When the baby boomer population decreases due to deaths, the target market will change to Generation X and the millennials. Experts don't recommend that manufacturers and dealers wait until that decrease in boomers comes to target those younger generations because it could be too late. Unfortunately, the millennials are just not as into boating as their parents (baby boomers). Although Generation X is a smaller group than the millennials, they should not be overlooked anymore due to their high spending power. In order to get both of these generations' interests, market researchers must find out where they place their value when making large purchases.

Research has shown that Generation X and the millennials value technology and affordability. Boats that come with advanced technology or the ability to upgrade to new accessories are their preference. Although they have grown up on the water and always enjoyed it, it is hard for them to reason with spending \$50,000-\$100,000 or more on something they only use on the weekends. Especially in the millennials, experience is valued over having the responsibility of actually owning an item.

The key to success in new sales for the boating industry is attracting these younger generations to make the purchases. Recent models have come out at low prices to cater to the affordability value of these generation but haven't been out long enough to test their success. Digital marketing efforts have proven to be successful, however, for both of these younger generations. In the future, it is hopeful that boat dealers and manufacturers will be able to attract these new markets so the industry continues to be strong.

Sources:

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