

BOAT SALES BOUY BOAT LIFTS

Sales are strong, innovation abounds and expansion plans are on the horizon for several companies in the segment.

When business booms for boat builders, the smiles aren't just confined to those who build boats.

The ripples their positive sales numbers cause roll through the marketplace becoming waves, and companies in ancillary segments of the marine industry, such as boat-lift manufacturers, are swept along for the ride.

So, with most boat manufacturers reporting a strong start to 2004, it should come as no surprise that boat-lifts manufacturers say they are also doing very well.

"It's been a fabulous year," Gary Johnson, marketing manager for ShoreMaster – a 34-year-old Minnesota-based boat-lift manufacturing company, says. "Our sales have been growing every year, but this is the best year we've had. Boat sales have certainly gone up, which has had a big impact on us."

Bill Golden, who founded Golden Boat Lifts in Fort Myers, Fla., in 1996, says his company is also off to a great start in 2004. Golden has spent much of the year traveling to expand his company's reach around the globe. He's logged so many miles that he recently had to have pages added to his passport because customs officials had run out of room for their stamps.

"Business has been very good," Golden says. "We're doing really, really well right now."

Those strong sales are driving expansion plans for many companies throughout the segment.

Innovative Marine Technologies of Winterpark, Fla. – which sells boat lifts through its www.boatdockstuff.com Web site, and manufactures boat lift accessories such as its Touchless Boat Cover and Grease Gutters – says business is so good the company plans to double the number of workers at its 8,000-square-foot plant in the next year.

"We've been slammed. It's been a great year," says Gary Elbers, owner and president of the company. "We'd like to add a second or even third shift."



Sunstream Floatlifts are made of an aluminum frame, are hydraulically powered, and can lower a boat into the water in less than 30 seconds.

Golden says his company is looking for another building to manufacture its "Gator Vator" boat lift.

"We can't get enough people into the current shop," he said. "We can't build Gator Vator's fast enough."

LESS ROOM, NO PROBLEM

But boat sales are only part of the story. Boat-lift manufacturers are in a unique position when it comes to the increased number of boats. They benefit in two ways.

The most obvious is, of course, that more boats mean more market for boat-lift manufacturers. But as the number of boats increases, the cost of storing those boats – given the current trend toward diminished slip space and decreasing water access – rises as well.

With more and more boat owners vying for a spot at the local marina, owners of boats and marinas alike are looking for ways to do more with less.

"All the marinas are getting maxed out, and the owners are saying, 'How can I get more out of my business,'" Golden said. "So we say, 'Put those boats on lifts and you can get more revenue.'"

And customers who own multiple vessels are also becoming more common, according to Johnson.

"Many homeowners have more than one boat, they'll have a fishing boat and a pontoon, or personal watercraft," Johnson says. "That trend is really still growing."

LOOKS COUNT

As those homeowners purchase more and more boat lifts for the docks behind their houses, aesthetics are becoming increasingly significant.

Golden's Gator Vator is essentially a topless boat lift, and was designed to eliminate objections to what some considered unsightly and inconvenient upper structures of other lifts.





Getting boats in and out of the water quickly is an important selling point for the industry.



"The appearance is the No. 1 reason we sell our lifts," Golden said. "When the wife takes one look and says to the husband, 'That's the one you're going to buy,' we always chuckle because then we know we've got the sale."

Borrowing and slightly altering a term – Curb Appeal – from the auto industry, Johnson calls the trend "Shore Appeal."

"People are developing more residences on the water," Johnson said. "I think docks and boat lifts have become extensions of the home. They are places people want to be."

"And people always putz around the lake on their pontoons and look at what everybody else has. Homeowners are embarrassed if they have a junky dock. People are always trying to outdo the neighbors."

EASE OF USE

Another significant trend in the boat-lift segment is the focus on developing products that make boating simpler, less time consuming and therefore more enjoyable.

Sharon Stewart, the marketing manager for Sunstream Boat Lifts, a boat-lift manufacturer based in Kent, Wash., said her company has done a lot of research to try to determine what it is that boaters are looking for in the products they buy.

"We're really seeing customers gravitating toward products that make boating easier," Stewart said. "Boaters want to use their boats. Ease of use makes their boating experience more fun. They buy a quick, reliable boat lift and their boating just got easier."

Toward that end, the company has developed the Sunstream Floatlift – a hydraulic, aluminum-framed structure that floats on foam-filled pontoons – is solarpowered, can be used in either fresh or saltwater, and lowers the boat into the water in less than 30 seconds. Stewart says the Floatlifts have been a "big driver" in the company's sales, which are strong.

Hydraulic and electrically powered boat lifts are very important to ShoreMaster as well.

"It's a good percentage of our sales," Johnson says, while

"We're really seeing customers gravitating toward products that make boating easier."

Sharon Stewart
Sunstream Boat Lifts

declining to be more specific. "It's a growing market, I'll say that."

The company, which is based in Fergus Falls, Minn., bought Missouri rival Galva Foam in 2002 and now manufactures boat lifts in both states.

FORMING ALLIANCES

Consolidation is another trend Stewart sees beginning to emerge in the boat-lifts segment of the industry.

"We're getting a lot of regional players that are starting to consolidate," she says. "There's a lot of pressure to do that."

Stewart says boat manufacturers have also begun trying to package their boats with lifts as a package when the dealer makes a sale.

"The packaging of the boat and lift by the manufacturer is definitely becoming a trend," Stewart said. "Manufacturers see it as a win/win. It helps push the sale and helps the manufacturer build a better relationship with the customer."

SEPARATION

The bottom line for most boat-lift companies often comes down to customer service.

As Golden puts it, "All of our competitors' boat lifts lift the boats. We can't say they don't. So you've got to run your business like a Wal-Mart or Home Depot. Service sets you apart."

Manufacturers and dealers need to work hand in hand to ensure the customer a positive, professional experience. As much as companies in the boating industry have come to count on research to determine what they should make and sell to their customers, those customers now also have the power to do their own research to determine just what it is they want to buy.

"Customers are not going to their dealer anymore and saying 'I need a dock.' They're going and saying, 'I need this dock,'" Johnson says.

BUZZ

Although the information superhighway has certainly contributed to the re-empowerment of the consumer, in the boating industry a much older form of communication can often drive the success or failure of products such as boat lifts.

"I do an informal poll of our customers and just ask them where they heard of ShoreMaster," Johnson says. "And most of them say they saw it at their neighbor's place. Word of mouth travels faster on the lake than it does on the Internet." ❧

– JONATHAN MOHR