

## Used Boat Market

The used boat market is small in Japan because:

- there are too few boats;
- dealers prefer to sell new boats for large profit margins;
- distribution channels are poor due to lack of dealer co-operation;
- there are no warranty or repair policies;
- most purchasers cannot distinguish a good used boat from a bad one;
- there are no professional used boat evaluators;
- used products in general are not popular in Japan; and
- corporate buyers prefer to buy new boats.

## Engine Sales

The most popular Japanese engines are made by Yamaha, Nissan and Yanmar. Strengths of domestic manufacturers are price, service and sales. In 1988, Japan exported over 370 000 outboard engines, valued at ¥57.6 million (\$524 million).

In 1988, retail sales of foreign engines totalled ¥3 billion (\$27.3 million). Some 40 per cent were inboard engines, (37 per cent up from 1987); 46 per cent were inboard/outboard engines (37 per cent up from 1987) and 14 per cent were outboard engines (44 per cent up from 1987). Volvo makes the most popular foreign engines known for durability, reliability and power, and widely distributed through Sibur Marine Ltd. outlets; Mercruiser and OMC follow.

The trend, as in boats, is towards bigger and better engines. A sales growth of 15 to 20 per cent is expected to continue for the next three to five years.

## Where is the Market Going

Within five years, the motorboat market is expected to:

- grow more quickly by value than by volume;
- accommodate consumer preferences for cruisers and larger boats, including open-sea motorboats; and
- import more motorboats in the larger categories.

As Japanese motorboat owners mature, the industry is likely to become polarized, with demand shifting to both ends of the quality and price range. There is already a significant market demand for high-quality, high-priced boats. A shift in demand to the lower end has not yet appeared due to the emerging used boat market.

Growth in the motorboat industry should continue because:

- Japanese consumers, unable to afford a house, are spending more of their income on leisure activities;
- leisure time has increased;
- more companies are entering the marine sports and pleasure-boat industry so that more sales outlets are being opened; and
- there is greater local and national government support for marine sports and pleasure boats.

Promising growth potential guarantees more competition in the leisure industry in the foreseeable future. However, should the Japanese economy slow down, sales would be adversely affected in the motorboat industry.

## Canadian Motorboats Will Sell

There is a good market for high-quality, large motorboats. An internationally competitive product should do well in Japan. Most successful foreign manufacturers have designed or modified models to suit specific needs of the Japanese market.

## 6 The Booming Market for Kayaks and Canoes

The kayak and canoe market exploded in 1988 to reach \$8.4 million in total sales, a 25 per cent increase over 1987. In the last four years, sales of kayaks have surpassed sales of canoes and now, kayaks account for 70 per cent of the market. Accessory sales are expected to climb from the current 40 per cent of canoe and kayak sales to more than 60 per cent as this market matures. Peak season for kayak and canoe sales is from April to July.

An estimated 100 000 Japanese kayak and canoe. The sport is most popular around Osaka although the greater Tokyo area has the best sales potential. Hokkaido has the best facilities.