

More than 40 foreign manufacturers offer about 300 yacht models to satisfy 35 per cent of the total market. In 1988 this market segment was valued at \$40 million, representing a 25 per cent increase, while domestic yacht production decreased marginally.

The strong demand for foreign yachts means that competition is likely to intensify, especially with the emergence of the used foreign boat market.

New product developments in the yacht market include Yamaha's experiments with fibre reinforced plastic (FRP) materials.

Sailboat Distribution

Domestic manufacturers sell directly through retailers. Yamaha has its own subsidiary marketing companies that manage sales at all levels. Ogura Trading Co., which handles the Prindle line, is the only trading company to import dinghies. All other foreign manufacturers sell directly through marina shops which import boats. Some importers create a captive market by forming an association for the class of boat they represent.

Trading companies, except for Marubeni, are active importers of yachts.

Figure 2

Typical Price Mark-Ups for Dinghies

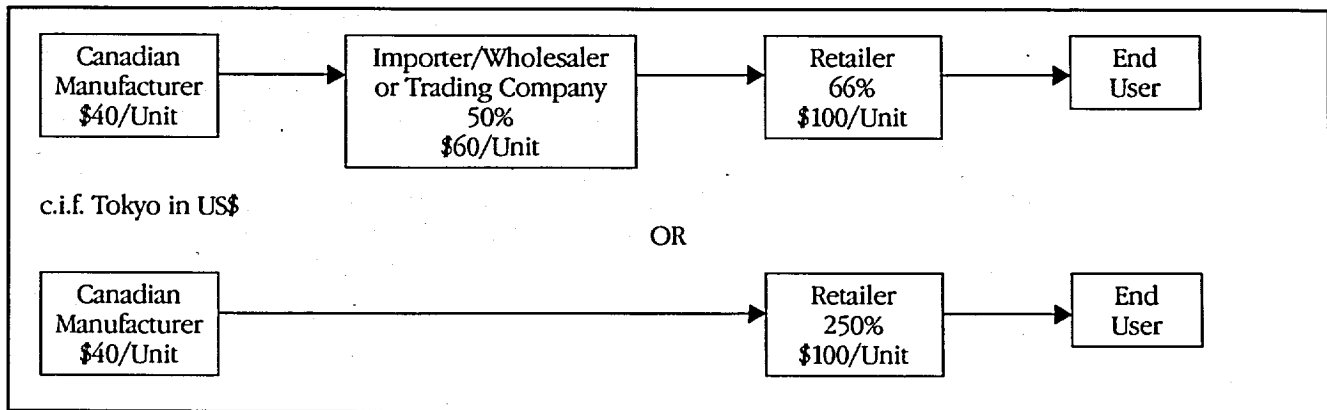


Figure 3

Typical Price Mark-Ups for Yachts

