

EMBRACING THE CHANGE

AS THE COVID-19 PANDEMIC WEARS ON, THE PROCESS OF
BUYING NEW AND BROKERAGE BOATS IS MOVING ONLINE.



Broker Jeff Merrill is conducting sea trials and boat tours during the pandemic, albeit with safety precautions such as masks and social distancing.

Howard and Ginger Robin, after decades of owning boats, knew what they wanted: a Nordhavn 60. But as they started to shop from their home near San Francisco, only three N60s were for sale. One was in Australia, one was in Japan, and one was in Florida. And of those three, only the N60 in Florida had a U.S. electrical system.

That was the boat they wanted to see, they told their broker, Jeff Merrill of Jeff Merrill Yacht Sales in California.

"This was right before Covid-19 became highly problematic," Howard Robin recalls. "It was back around early March. Ginger and I flew to South Florida and went to look at the boat with Jeff. We spent about five hours going through the boat, and we loved it. It needed some work, but it was great."

The Robins flew home to think things over, negotiated a price for the 2013 build, and signed a deal to buy the boat. But by the time they were ready to do a survey, the pandemic had begun to shut down airports.

"I've had boats for 30 years. I would never intentionally buy a boat without being there for the sea trial and the survey," Robin says, but "there was no reasonable way for me to fly from San Francisco to Fort Lauderdale."

In that moment, the Robins became like thousands of other boat buyers nationwide who have been forced to make their peace with the virtual shopping experience. No matter whether it's shoppers for center consoles, cruising trawlers or superyachts, the Covid-19 pandemic has forced a change in the way people shop for and buy boats.

Industrywide, dealers and brokers say much of the shopping process that used to happen in person is now being done at least in part—and sometimes entirely—online. Boaters who used to do tours at dealerships or boat shows

are now "touring" their future vessels by way of Facetime, Zoom or Skype. Online research that used to supplement in-person, hands-on shopping is now the primary tool that consumers are using to decide which boat they want. For smaller boats and tenders, buyers are sometimes clicking to purchase without ever laying eyes on the physical vessel.

"We have figured out how to sell boats with our showrooms on lockdown. We have figured out how to sell boats without boat shows and on-site sales—and in the Boston market, our sales are up 200 percent. There's a clear embrace of the new technology," says Larry Russo Sr., who is senior vice president at MarineMax, which has more than 60 dealerships nationwide. "If we didn't have the pandemic, I think this would have taken 10 to 15 years for the industry to morph into advanced digital strategy. The pandemic forced it to happen in three months."

The shift to virtual shopping is happening at all price points, for new and brokerage boats alike. According to the National Marine Manufacturers Association, the Discover Boating website has seen triple-digit traffic growth during the pandemic, and a whopping 70 percent of dealers for new and brokerage boats were reporting retail-sales growth as of May. New boat sales overall shot up 59 percent between April and May, according to the NMMA, and were up 19 percent year-over-year compared to May 2019.

And a lot of those boats—even larger, 30- and 40-footers—appear to be going to first-time boat buyers. The data is still being analyzed, but Ellen Hopkins Bradley, senior vice president and chief brand officer for the NMMA, says the fact that so many new buyers entered the market so quickly (many of them looking for an outdoor, socially distanced activity) pushed dealers and manufacturers to improve their virtual tools, and fast.



Justin Joyner says Beneteau is still giving in-person tours of yachts like its Swift Trawlers, in addition to online conversations and videos (photo taken prior to Covid-19). Facing page: Yard visits are also happening with social distancing.

“They’re probably younger and digitally savvy—some of the data do show that,” she says. “They’re more digital natives, so that’s how they expect to shop. When they started going online to shop for boats, the retailers and manufacturers had to adapt really quickly. I would venture to say that most dealers were not selling boats online last year. They are now.”

Some dealers and brokers who already had a strong online presence say they have experienced huge spikes not only in web traffic during the pandemic, but also in shopper intensity. Deals that, in the past, could have taken 18 months or longer to complete are now sometimes closing in a matter of weeks or even days.

“I’m seeing clients changing their schedules. They’re saying, ‘We have to get out of the house,’” Merrill says. “It’s a seller’s market. There’s no doubt about it. People want to get onto boats now. *Right now.*”

Merrill has more than 9,000 subscribers on his YouTube channel, where he has long posted boat-tour videos explaining a vessel’s features. Since the pandemic began, he says, viewership for those videos has been beyond anything he’s ever seen. A single video that he posted showing a Selene 43 got 18,000 views in one week.

“Business is insane,” he says. “This July will be the busiest, most successful month I’ve had in my career.”

Justin Joyner, the powerboat manager for Beneteau America, says he used to be on the road 10 to 14 days a month talking face-to-face with clients about boats such as the Swift Trawler. He stopped traveling in mid-March because of the pandemic, and within about a month started receiving calls from dealers asking him to do virtual walkthroughs with clients. Joyner then built a database of 360-degree boat-tour videos that he could tap into, no matter which model a client wanted to see.

“I literally started sharing my desktop and taking customers through these boats by video and by picture,” he says. “You have to intimately know these boats—what’s behind that cabinet, what’s here, what’s that. You aren’t there in person, so you have to know the 110 breaker is behind that cabinet, and where the inverter switch is.”

He was doing, easily, 10 calls a week of an hour to two hours apiece for 40- to 50-foot boats, he says. When a client seemed ready to purchase, he would arrange to meet them on board, in person at a safe social distance, for the first time.

“I can say, ‘OK, you live outside of New York City, well, I’m arranging to have a boat ready for you to view on the 23rd where you can drive in your own car for four hours, and I’ll meet you at the boat,’” Joyner says. “It’s that last piece of validation before they order their boat. The very strong major-



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—Jeff Merrill, Jeff Merrill Yacht Sales

ity of people still physically are getting on one of the boats before they pull the trigger and purchase, but it’s the last step, not the first step.”

For smaller boats that are new instead of brokerage, Russo says, that last in-person step has now been eliminated entirely for many MarineMax purchases.

“We sold the majority of these boats with no physical contact with the customers,” Russo says of the booming pandemic sales. “People have an enormous amount of faith in the Boston Whaler brand. The Sea Ray brand. The Azimut brand. People are willing to take a leap of faith that these are good boats.”

Robin, shopping for the Nordhavn 60 on the brokerage market, ended up embracing digital shopping tools far more than he ever imagined possible. He wasn’t able to get from California to South Florida for the survey and sea trial of the N60, but his consultant, Steve d’Antonio, and another expert he trusted, Capt. Bernard Francis, who specializes in Nordhavn builds, could get to the boat. Francis was based in Florida, and D’Antonio was willing to drive there from Virginia. They both kept Howard informed as they surveyed and ran the vessel.

“I’m buying a boat that’s obviously seven figures. That’s an expensive boat to buy after looking at it once and never going out on a sea trial,” Robin says. “But Covid changed everything. It was either trust Steve and Bernie, or don’t buy the boat.”

As with buyers of new vessels, Robin says, a lot of his decision also boiled down to knowing and trusting the builder’s reputation.

“I believe that Nordhavn is a great boat. It’s not an unknown brand,” he says. “There are brands of boats I probably wouldn’t have felt as comfortable doing this with. With Nordhavn, I had no worries about the fundamental qualities of the boat.”

Today, the newly rechristened *Ginard* (named for Ginger and Howard) is in a shipyard in Canada being refitted. Robin is checking in on the progress twice a week via Facetime. The yard’s workers hold up their smartphones to show him different areas of the boat, and he makes any decisions that are necessary.

“I can’t even imagine it, even having done it,” he says. “You’ve got to do what you’ve got to do.” ❁