



An Industry Update: 2024 Trends in the Marine Market

The marine industry continues to evolve, with a strong emphasis on sustainability, technological advancements, and customization to cater to shifting consumer demands and economic landscapes.

The boat-building industry is evolving with a strong focus on sustainability, technological innovation, and customization, adapting to changing consumer preferences and economic conditions.

Boat builders manufacture various types of watercrafts for personal, commercial, and governmental use. The industry is highly influenced by consumer confidence, disposable income, and economic conditions. Because boat purchases are highly discretionary, the COVID-19 pandemic and rising interest rates have dampened demand.

In response to the economic challenges, manufacturers continue to look for solutions that will appeal to a broader demographic. Meanwhile, they are also responding with innovations that meet the desires of today's consumers. In this update, we will examine what is happening in the industry.

TRENDS UPDATE



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Eco-Friendly and Sustainable Trends

Like many industries, there is a growing trend towards eco-friendly boating. An increased interest in electric and hybrid boats exemplifies this. These vessels are valued for their quieter operation, lower emissions, and reduced maintenance. Manufacturers are focusing on sustainability by using materials like lightweight fiberglass, which are both environmentally friendly and light and durable for excellent performance.

Boat builders are also integrating smart technologies to promote eco-friendly boating practices. As solar panels and integrated photovoltaic systems become more accessible, they will be more frequently installed on hybrid-electric vessels. Hybrid propulsion systems offer the benefits of both electric and traditional engines while providing flexibility and efficiency.

Material Innovations

As previously mentioned, the use of lightweight and sustainable materials is rising. Materials such as carbon fiber, aluminum, and recyclable composites enhance performance, reduce weight, and improve fuel efficiency. Aluminum, in particular, is becoming more popular, even in mid-size vessels, for its strength and ease of construction.



The marine market is embracing sustainability through the adoption of electric boats, renewable energy sources, and innovative materials.

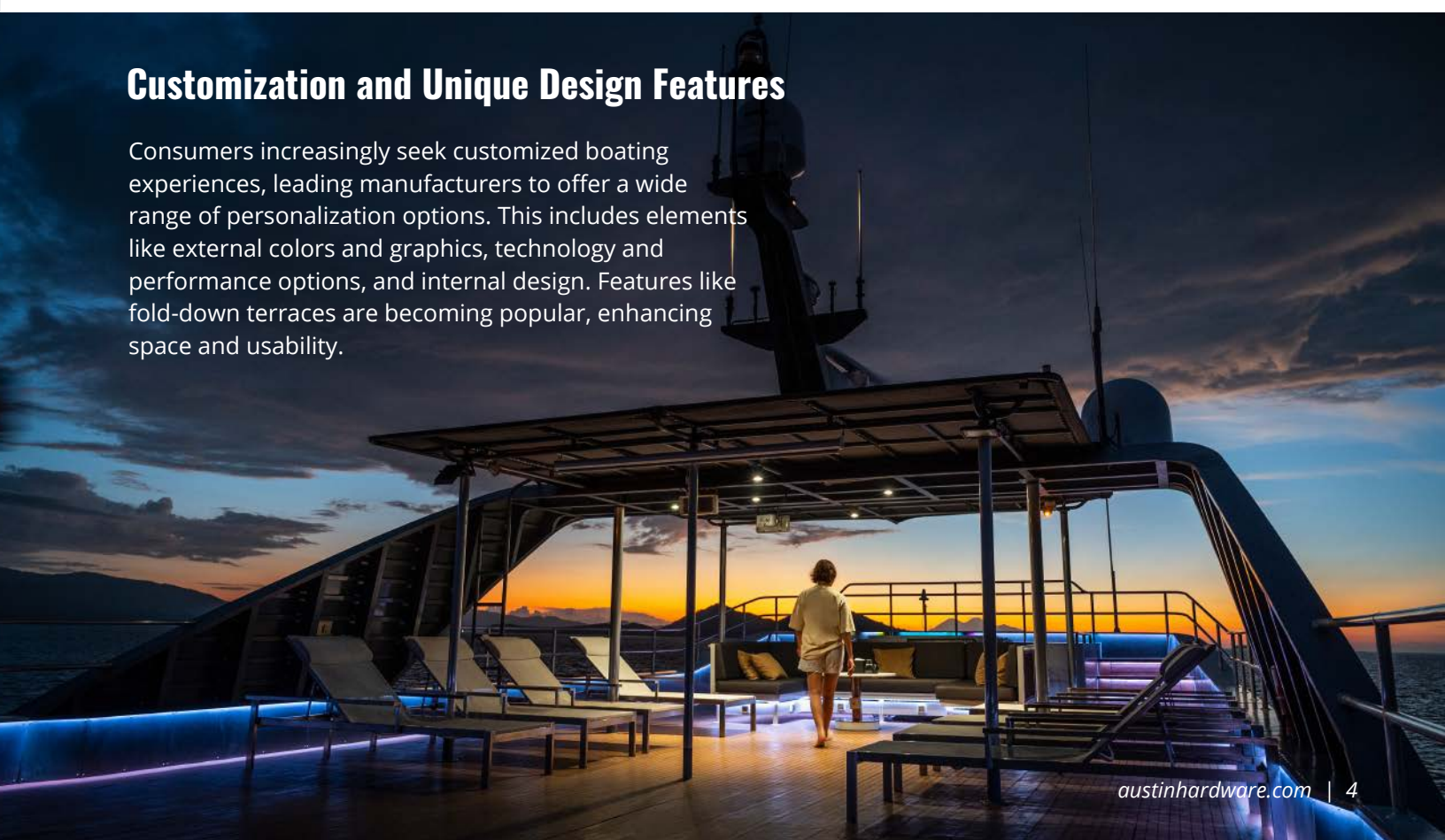


Technological Advancements

The boating industry is seeing significant technological advancements, including enhanced connectivity, smart navigation systems, and advanced safety features like collision avoidance systems. Autonomous technology and AI are emerging trends, offering features like automated docking and predictive maintenance. The rise of autonomous vessels (completely automated cargo ships, i.e., containing zero crew members) will be one of the most visible changes, with a global industry valued at \$3.9 billion in 2022.¹

Customization and Unique Design Features

Consumers increasingly seek customized boating experiences, leading manufacturers to offer a wide range of personalization options. This includes elements like external colors and graphics, technology and performance options, and internal design. Features like fold-down terraces are becoming popular, enhancing space and usability.





Shared Ownership and Rentals

There is a growing trend in shared boat ownership and rentals, particularly for smaller boats. This market expansion is driven by the affordability and accessibility of boating experiences, appealing to a broader demographic.

Boats up to 28 feet are among the most sought-after rental options, and boats between 28 and 45 feet are also in high demand. However, the market for boats longer than 45 feet is considerably limited. Tours, charter rentals, and day cruise rentals are also widely available. The market has fantastic potential as it expands; thus, by 2028, it's expected to surpass \$280.2 million.²

As economic conditions have become more challenging, shared boat ownership and rentals have become more appealing, making boat activities accessible to a wider range of users.

Affordability

Boat ownership and rentals continue to be popular despite their high price tag. Outboard motorboats remain the most popular option due to their relative affordability. Due to advancements in engine technology and more efficient production processes, with fuel efficiency playing a significant role, boats are becoming more affordable.

The recreational fishing segment is a significant one in the boating market. Demand for specialized fishing boats equipped with features such as fish finders, live wells, and rod holders is growing.

According to the National Marine Manufacturer's Association, "While most categories of new powerboats saw estimated unit declines in 2023, anywhere from 5-25%, the personal watercraft segment saw a significant increase and is projected to be up between 20-25% as final 2023 sales data are calculated."³



Demographic Shifts and Broader Appeal

The average age of boaters is around 50-58, but boat rental and sharing trends are attracting younger boaters in their 20s and 30s. The industry is becoming more diverse in terms of race, age, income, and lifestyle, catering to leisure and more adventurous pursuits.

Family activities have encouraged the surge in boat sales and rentals, but fishing remains the most conventional use. Families want boats that can be adapted to use with varied activities, supporting the trends in fishing, touring, and day-cruising markets.

Additionally, due to their adaptability as fishing boats and floating cabanas, an increase in demand for pontoon boats is likely among the most important trends. They represent a significant source of income for manufacturers and sellers. Pontoons can be equipped with various amenities, such as high-performance motors, marine-sized freezers, and appliances.

Deck boats are another essential product, especially for families looking to spend time together. Whether cruising on a lake, enjoying water sports, or fishing, deck boats provide the space and flexibility that families seek.

"With jumps in interest rates and inflation in 2023, we saw more boating consumers being price sensitive and deciding to wait things out before buying their next boat and, in the meantime, picking up a personal watercraft to enrich their time spent on the water," said Frank Hugelmeyer, NMMA president. Inflation concerns, having carried over well into 2024, continue to have an impact on price sensitivity.

He continues, "The nearly 1 million people who purchased a boat for the first time during the height of the pandemic continued to spend record time on the water in 2023, helping drive an economic impact of \$230 billion. ... we expect Americans' desire to be near water to continue as more people seek ways to prioritize health and wellness and enhance their quality of life, which has the industry focused on continued innovation and ensuring greater access to our public waters." ³



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¹ Markets and Markets, "Autonomous Ships Market", September 2022 Report.

² Fortune Business Insights, "Boat Rental Market Report", August 5, 2024.

³ National Marine Manufacturers Association, "Innovation Takes Center Stage as U.S. Boat Sales Cool Following COVID-Era Demand Surge", January 11, 2022.

