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2014 OUTLOOK FOR THE RV MARKET

A White Paper

Richard Coon

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As a \$10.8 billion-a-year industry, the recreation vehicle (RV) industry continues to be a force in the U.S. travel and tourism market. In the years following America's worst recession since World War II, the RV industry has steadily recovered from the effects of the economic downturn. RV market conditions continue to improve with 2013 wholesale shipments projected to surpass 300,000 units for the first time since 2007. RVIA projects that 2013 shipments will total 309,800 units, an 8.4% increase from 2012, and an 87% increase from the 2009 recession low.

Economist Dr. Richard Curtin of the University of Michigan expects the recovery of the RV market to rise through 2014 with total RV shipments climbing to 321,800 units by the end of next year.

This solid, sustained recovery is a testament to the enduring appeal of RV travel allows the industry to overcome challenges from economic and energy forces. The sustained growth of RVing's popularity over the decades is rooted in the appreciation Americans have for the freedom, flexibility, affordability and comfort that RVs provide. RVs continue to be a beloved way for families to escape the stress of daily life, spend time with friends and family, and enjoy the great outdoors without breaking the budget.

RV DEMOGRAPHICS

U.S. ownership of RVs is at the highest level ever recorded. A comprehensive RV consumer demographics study, conducted by the University of Michigan Survey Research Center, found that 8.5% of all U.S. vehicle owning households own an RV — up from 8.0% in 2001.

In all, there are now more than 9.0 million RVs — motorhomes, travel trailers, fifth-wheel trailers, truck campers and folding camping trailers — on the road, up 14% from 2005 and 80% since 1980.

The research showed that the 35-54 age group has surpassed the 55+ age group for the highest rate of ownership. The average age of an RV owner dropped from 49 to 48 years old. There are also strong indications that Generation Xers are jumping on the RV bandwagon.

FAVORABLE LONG-TERM OUTLOOK

Second to the 35-54 demographic is the 55+ age group, and the long-term outlook for RV shipments is favorable with the enormous baby boomer generation entering prime ownership years for RVs over the next decade.

The boomers will continue to dominate the RV market for the next 15 years. Research indicates boomers possess values and interests consistent with those of RV owners and have the discretionary income to join their ranks.

According to the University of Michigan, RV purchase intentions remain high despite the economic downturn. When RV purchase intentions are combined across current owners, former owners and new market entrants, 21% of U.S. households intend to purchase an RV at some point in the future. This represents only a slight decline from the 23% rate in 2005, and is ahead of the 16% rate in 2001.

These findings are buoyed by research conducted by RVIA in its Fall 2013 *Campfire Canvass* survey of RV owners, 72% of whom believe now is a good time to buy an RV. Of those RV owners who plan to purchase another RV in the future, nearly 9-in-10 plan to make that purchase in two years or less.

These favorable demographic trends, along with continued strong consumer interest in RV travel and the continuation of the industry-backed Go RVing national advertising campaign, have set the stage for strong RV sales as the economy continues to recover and the availability of consumer credit increases.

GO RVing AD CAMPAIGN

To capitalize on the tremendous opportunity presented by the favorable demographics for RV ownership, the entire RV industry — manufacturers, component suppliers, dealers and private

campgrounds — united under the banner of the Go RVing Coalition in 1996 to develop programs introducing RVing to a greater number of people.

Go RVing is continuing an aggressive marketing campaign that includes advertising on television, in print and in the online space, as well as promotional partnerships, a robust social media presence, and a cutting-edge and engaging website. The “AWAY” marketing communications campaign has been warmly received by consumers, and has resulted in increased interest in RVing.

RV TRAVEL TRENDS

With their economic situation improving, RV owners are planning to hit the road. RVIA’s Fall 2013 *Campfire Canvass* survey of RV owners found that three-in-four plan to use their RVs as often or more this year than last.

The cost efficiency of RV travel also helps RVers stay on the road regardless of economic circumstances, with a vast majority of RV owners (90%) maintaining that RVing is “an affordable way to travel.” More than 75% of RVers say they save 25% or more when they travel by RV.

Money RVers save on transportation and lodging is channeled into local businesses, grocery stores, restaurants, attractions and gift shops in communities near campgrounds. RVers spend approximately \$100 per day on such purchases, according to the Recreation Industries Research Center at Michigan State University.

RVers: A LUCRATIVE MARKET

Communities and attractions wishing to promote their services to the RV consumer can do so through RV consumer shows, as well as publications and web sites targeting RV owners. RVIA and Go RVing offer stock photos and footage for use by tourism marketers.

National RV camping clubs also can provide useful leads, exhibits and advertising opportunities. These organizations generally have active state and local chapters that hold meetings and rallies with the potential to be an enormous source of tourism dollars to host communities. National RV camping clubs

report that a single member rally can generate more than \$30 million in tourism revenue for a host community.

One of the most important ways for destinations and their local businesses to attract RV travelers is to make it as easy as possible for them to use their vehicles conveniently. RVIA is helping make that easier by supporting the “RV Friendly” program, which allows retailers to place an RV Friendly symbol next to their business’ logo on highway exit gas/food/attractions signs. Fifteen states have passed “RV Friendly” legislation. Restaurants and stores with ample, clearly marked RV parking places, and signage on roadways alerting drivers to RV camping areas and tourist sites with convenient RV parking can go a long way toward attracting RV patrons.