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Money maven Suze Orman on boat business challenges

Posted on May 1st, 2010 Written by [Wanda Kenton Smith](#)



Suze Orman has a hot new love affair – with boating. The financial guru, who has her own CNBC show and has authored multiple best-selling self-help books on money topics, talks passionately about “my little boat” – a 28-foot Sea Ray Sundeck aptly named Approved. She bought the boat earlier this year from a MarineMax in South Florida.

When I interviewed her recently for a magazine feature, Suze told me she was first exposed to boating more than five years ago through the endless parade of beautiful boats that sailed by her waterfront home. The people on those boats, she says, always seemed to be having lots of fun.

Orman says she began dreaming about enjoying the boating lifestyle with her own extended family. A millionaire many times over, with zero debt, she could pay cash for whatever boat or yacht she wanted. But before taking the plunge, she chose to test the waters, renting 21-foot and 23-foot boats over a five-year period, keeping a promise she made to herself not to make any major discretionary purchases until she proved to herself and her partner it was something she really wanted. And now that she’s the proud owner of her own boat, she’s happily committed to becoming an “experienced yachtswoman.” She’s hired a professional captain to teach her the ropes, and she spends hours at the helm so she can master every possible wind and water condition.

But this column isn’t just about another celebrity who has taken a shine to boating. Or how her impressive sphere of influence is a positive thing, including her social media activities, like her YouTube network and new “Staying Afloat” financial spots she’s shooting on Approved. And it’s not about the fact that she wants to engage with the boating community and meet other women who are crazy about the sport and lifestyle.

Suze and I talked about her road to boat ownership and about our industry’s challenges during the last 18 months and what she believes is in our future. Her perspective as a new boat owner, coupled with her finger-on-the-pulse knowledge of the financial world, provided intriguing insight that has value for the industry at large.

Once she’d determined she was ready to buy, Suze practiced what she always preaches from her national media pulpit. She did her homework. She researched boat brands and dealerships thoroughly

online. Before stepping foot into a dealership, this savvy shopper knew exactly what model she wanted and what she was willing to spend.

Her first visit to MarineMax was incognito. There was no celebrity entourage – just a girlfriend who knew more about boats than she did. She was greeted by a knowledgeable salesman who was happy to present the exact boat of her dreams. He sold her what she wanted, not what he might want or need to sell.

Once her identity was revealed and the dealership knew it had a financial icon in the house, Suze says they had a “great time.” No one tried to stick it to her, as she says is often the case once a company learns who’s buying. On delivery, her salesman took her and her partner out for a full day on the water to review driving basics and boat operations.

In the process, Sea Ray also got involved and negotiated a deal to host Suze at a Miami International Boat Show press conference. The timing was right, and the opportunity was ideal, says Sea Ray marketing VP Rob Noyes.

“Sea Ray has been doing Women in Boating promotions for a long, long time through several of our dealerships,” says Noyes. “We’ve worked with our dealers to make more tools available to teach women’s boating courses and to compile best-case materials used by several of our dealers. We want women to be comfortable and safe at the helm. What Sea Ray hasn’t done is to promote it, so Suze came along at the perfect time.”

Besides her dealership and her new Sea Ray, Suze also had rave reviews for the marina that stores her boat. She’s “finicky” about her “little boat,” so she chose a first-class facility nearby that does it all – fueling, washing and flushing – so her baby is in great shape when she calls. As part of a privacy agreement, I can’t divulge the name of the marina, but I commend them for their professional concierge service that takes the hassle out of boat ownership – the little problems we all know exist. The more we can do to make boat ownership a breeze, the better.

I’ve been beating the bushes since the late 1980s about the need for the industry to market its products and services to women, and to treat them with respect as bona fide solo buyers or key influencers in a couple’s scenario. I’ve shared statistics about the tremendous buying power of women and the control they exert on purchases of everything from cars, trucks and motorcycles to homes, vacations and financial investments.

After interviewing hundreds of women boaters, I know we, as an industry, don’t always score highly in the sales arena. So a big shout-out to MarineMax for making me proud and for taking a strong leadership role at retail with their custom Women on the Water training program that embraces women and promotes their active engagement on board.

As far as the economy and the financial constraints affecting our industry, what does Suze see in her crystal ball?

“I really think it will be 2014 and ’15 before all of this is turned around,” she says. “It will look like we are out of the recession, the numbers will read like we are out of the recession, but the little guy will still not be able to get loans, the little business guy won’t be able to get loans for his business, the money will go to the big people ... very little will change that way,” she says. “We still have major problems, we still owe trillions of dollars ... how are we going to pay that back? It’s a very difficult thing.”

“Real estate is still a major problem,” she adds. “You look at the boating industry, which is a luxury

industry, and [a boat] is not a need and that is just the plain fact of it. You need to drive a car to get to work. You need to feed your children. You need a house or an apartment to live in. People don't even have the money for their needs. It's going to be very difficult for a while, I'm sorry to say. If you know that, hopefully everybody cuts back on their expenses accordingly."

The million-dollar question: How can we get qualified boat buyers off the mark so they will buy now?

Suze believes the affluent are holding off making major purchases for two significant reasons. One, they "aren't as wealthy as we might think," or they have "mortgaged themselves to the hilt, and we just don't know it." Second – a surprise to me – "the legitimately wealthy are embarrassed, and they think, Why should they be showing off that they have money when nobody else does?"

The affluent must be made to understand that by making purchases today, they will be helping the economy rather than hurting it, she says. Very wealthy people who are smart with their money know the dire straits many people are in, and they understand that "this is when the wealthy get wealthier. The wealthy have the option to go in and buy certain things at a song."

However, she contends, those affluent people are "looking for the deal of a lifetime." Her advice: Give it to them, and take a long-term perspective on the sale. "It's better to keep somebody there and keep them happy so that when things do turn around, they'll remember that, and they'll come back again ... and you'll make it back at that point."

Unfortunately, she predicts loan approvals for the average Joe won't get easier in the short term.

"You guys know that they're not going to get approved for some time, so you have to build this into your business model. You have to either build on demand and then [the customers] have to wait so you don't have all those boats in inventory, or you somehow have to adapt, because I have a feeling money is going to be tight for quite awhile."

Marketing lessons for the month in a clam shell?

Never underestimate the buying power and influence of women, and sell and service accordingly. Get the attention of the affluent buyers in your circle by promoting "the deal of a lifetime." Remind wealthy buyers to forego their guilt trips, because they are helping to stimulate the economy with their purchases. And, finally, adapt your business model to our new reality.

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