

THE RV CONSUMER IN 2011

By

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EXECUTIVE SUMMARY

The largest number of U.S. households ever recorded owned an RV at the close of the first decade of the 21st century. Based on the eight nationally representative surveys conducted over the past thirty years, a larger proportion of households owned an RV in 2011 than recorded in any other survey since 1980. Among all vehicle owning households, 8.5% owned a traditional recreation vehicle in 2011, up from 7.6% ten years ago and 7.1% recorded thirty years ago. The number of U.S. households that own a recreation vehicle has grown to 8.9 million in 2011, up from 6.9 million in 2001 and 5.0 million in 1980. From the first survey in 1980 to the most recent survey in 2011, the number of RVs owned has grown at a compounded annual rate of 1.9%.

The growth in RV ownership has been led by the ownership of conventional and fifth-wheel travel trailers. In the 2011 survey, 4.8% of all households owned a travel trailer, up from 4.1% in 2005 and 3.7% in 2001. This sharp rise in ownership of travel trailers accounted for most of the overall increase in ownership of RVs among U.S. households. The growth in travel trailers was due to a combination of factors that included a substantial increase in the ownership of SUVs, pickups and other vehicles that were capable of towing larger and heavier trailers, and the inflation adjusted prices of travel trailers have remained largely unchanged for more than two decades.

Ongoing changes in public policies as well as the lingering aftermath of the Great Recession represent significant challenges to the RV industry. Importantly, the data indicate that the basic appeal of the RV lifestyle remains as strong as ever. Expectations for growth in income, jobs, home and stock values over the next five years are not as favorable as in the last decade. Moreover, new energy regulations may decrease the towing ability of the vehicles in the household fleet. Consumers want to enjoy the same cherished experiences of RV'ing while staying within new budget constraints. These economic challenges will cause changes in the types and features of RVs that consumers will demand in the future. Rightsizing RVs for the decade ahead will require fresh thinking about design and layout as well as features and amenities.

The strong appeal of the RV lifestyle is reflected in the widespread intentions of current and former owners to purchase another RV as well as by the purchase intentions of first time buyers. Seven-in-ten current owners intend to purchase another RV, among former RV owners, one-fourth had plans to purchase another RV in the future, and finally, among households that have never owned an RV, one-in-seven expressed an interest in the purchase of an RV. Taking account of purchase plans of current owners, former owners, and first time buyers, future plans to purchase RVs were expressed by 21% of consumers in 2011, much closer to the record 23% in 2005 than the 16% in 2001. Importantly, new rather than used units were intended to be purchased by one-in-three owners to replace their current RVs, the highest percentage in a decade.

Among all current owners, one-third purchased their RV new. This proportion of new purchasers has not significantly changed for more than a decade. Just over half of all owners purchased their RV directly from the prior owner. The share purchased directly from prior owners increased and the share of used RVs purchased through a traditional dealership declined to 13% in 2011 from 21% in 2005 but was only slightly below the 14% in 2001. Two factors affect the dealership share of used RVs: the proportion of relatively “newer” previously owned RVs sold and the number of RV dealerships.

The average age of used RVs when purchased was 9.2 years in the 2011 survey, down from 10.0 years in 2005 and 11.6 years in 2001. Indeed, in the 2011 survey, only one-in-four used RVs were less than 3 years old when purchased, an indication of declines in dealership involvement in used sales since dealers typically prefer to sell these nearly-new units. The average age of all RVs, including both those purchased new or used, was 14.2 years in 2011, up from 12.7 in 2005. Finally, consumers have owned their current RV for 8.4 years on average in 2011, up from 6.6 years in 2005. Nearly three-in-ten owners have owned their current RV in 2011 for ten years or longer. The aging of RVs mirrors the increasing age of the household vehicle fleet and reflects the increased quality of RVs as well as the impact of the Great Recession on sales of new vehicles.

Of all vehicle owning households in 2011, 13.2% owned an RV in the past but not presently, substantially higher than the 11.5% recorded in 2005 and 8.6% in 2001. Indeed, more U.S. households owned RVs sometime in the past than currently owned an RV in every survey in the past 30 years. One-third of the former owners in 2011 sold their RV more than twenty years ago, and a total of six-in-ten former owners sold the RV at least ten years ago. While former owners tended to be over age 65 and did not expect to buy another RV, there were large numbers of former owners below the age of 65.

Most of the younger former owners sold their RV because they thought that they did not have enough time to use the RV to justify the expense of ownership. These former owners represent excellent future sales prospects, with renewed entry into the RV market depending on changes in their family situation as well as the increased availability of RV facilities and attractions, as the ultimate demand for RVs is based on their use.

The 2011 survey found substantial interest in renting an RV among households that did not currently own an RV. One-in-five households reported interest in renting, with interest highest among younger, upper income, and Western households. Importantly, households that expressed an intention to become a first time RV buyer were three times as likely to consider renting compared with households that had no intention of purchasing an RV. Renting before buying was planned by half of all first time buyers, underscoring the notion that first impressions build later sales. Moreover, the lingering negative impact on household finances from the Great Recession may prompt even devoted RV'ers to shift from buying to renting as a means to maintain their connection to the RV lifestyle.

Consumers that planned to purchase an RV in the future were asked to identify which features and amenities were essential and which they would be willing to give up in order to purchase a less expensive RV. Interior space, ease of setup, road handling, and heating and cooling systems were viewed as essential, and entertainment and electronic devices, the materials used to construct living spaces, operating costs, warranties and after-market support were viewed as areas they were willing to compromise to get a reduced cost RV.

The allure of the RV lifestyle was found to be primarily based on engaging in outdoor activities with family members as well as the appeal of camping, hiking, fishing and hunting. As a result, the long held descriptor of the RV lifestyle as "family camping" was again affirmed. As you might suspect, RV owners were much more active in taking weekend getaways, vacationing repeatedly at the same destination, and attending outdoor concerts and sporting events.

Overall, there is a strong and enduring appeal to the RV lifestyle that is as valid today as it was twenty years ago. The latest survey data only add support to an optimistic forecast of RV sales and future ownership growth.

2011 NATIONAL SURVEY OF RECREATION VEHICLE OWNERS

This report summarizes the findings from the eight national survey of recreation vehicle ownership sponsored by the Recreation Vehicle Industry Association. The 2011 survey included 4,903 completed interviews conducted from February to May 2011. The sample was scientifically selected to be representative of all U.S. households. Each household in the U.S. had an equal chance of being chosen, and the demographic and economic characteristics of the households as well as their geographic locations were represented in the same proportions as in the actual population.

The data contained in this report refer to traditional recreation vehicles, defined to include all types of motorhomes, travel trailers, fifth-wheel travel trailers, folding camping trailers, and slide-in truck campers. All of the data included in this report, including the results from past surveys, reflect this definition of traditional RVs and thus allow for robust comparisons to the results of prior surveys.

Mac Bryan of the Recreation Vehicle Industry Association guided the development of this research. This survey as well as the prior surveys conducted since 1980 have greatly benefitted from his many contributions. The RVIA Marketing committee actively guided and made important contributions to each stage of the project's development. Special thanks are due to its chairman, Sid Johnson from Jayco, as well as committee members Andy Baer, at KZ-RV, Kip Ellis at Atwood Mobile Products, Mike Farmer at Carefree of Colorado, Craig Floyd at TRC, Jeff Hanemaayer at Roadtrek Motorhomes, Jason Lippert at Lippert Components, Dwayne Nickel at Dicor, Don Newton at Winnebago, Kevin Phillips at Thetford, Jonathan Randall at Freightliner Custom Chassis, John Sammut at Newmar, Dave Schutz at Dometic, Randy Sellhorn at Foremost Insurance, and Thomas Walworth at Statistical Surveys.

SUMMARY OF FINDINGS

The findings of the 2011 survey can be summarized as follows:

- The study focused on the ownership of a traditional recreation vehicle, defined to include all types of motorhomes, conventional travel trailers, fifth-wheel travel trailers, folding camping trailers, and slide-in truck campers. A recreation vehicle was owned by 8.9 million U.S. households in 2011, the largest number ever recorded.
- Among all vehicle owning households, 8.5% owned a recreation vehicle in 2011, up from 8.0% in 2005, 7.6% in 2001 and 7.3% in 1997, and surpassing the prior peak of 7.9% in 1984. Importantly, the data continue to indicate a strong and resurgent interest in the RV lifestyle among Americans. There are more recreation vehicles in use today than at any previous time.
- Ownership of conventional travel trailers and fifth-wheel travel trailers posted the largest gains in 2011. Overall, 4.8% of all households owned a travel trailer in 2011—the highest level recorded since the surveys first began in 1980—up from 4.1% in 2005 and 3.7% in 2001.
- Ownership of motorhomes stood at 2.1% in 2011, just ahead of the 1.9% in 2005 and 2001, remaining at the highest level recorded in the past thirty years.
- Ownership of folding camping trailers fell slightly to 1.7% in 2001, down from 1.8% in 2005 and 1.9% in 2001 and 1997.
- Truck campers halted their slide with 0.5% of households who reported ownership in 2011, just ahead of the 0.4% in 2005 and 2001. The 2011 survey was the first survey since 1980 in which ownership of slide-in truck campers increased.
- The pattern of ownership of recreation vehicles is consistent with aggregate data on RV shipments reported by the Recreation Vehicle Industry Association. Importantly, based on data from 1980 to present, the average annual sales growth was 8,717 units. The recent dominance of conventional and fifth-wheel travel trailers was also reflected in industry shipments, which accounted for 82% of all shipments, up from 59% in 2000.

- The growth in conventional travel trailers compared with generally flat shipments of type A motorhomes can be attributed to at least two factors: the rise in household ownership of vehicles that are capable of towing larger and heavier RVs and trends in prices of travel trailers compared with motorhomes.
- The typical RV owner was 48 years old in 2011, one year younger than the 49 years recorded in 2005 and 2001. The median age of owners of all types of RVs either declined or remained unchanged in the 2011 survey from 2005. The small decline reflects both the success of the industry's efforts to attract younger buyers as well as the relatively greater impact the Great Recession had on those aged 45 to 64.
- The median age of motorhome owners declined to 48 years old in 2011, down from 54 in 2005 and 59 in 2001. The age of travel trailer owners was unchanged during the past decade at 49 years old. The median age of folding camping trailer owners declined to 44 years old, between the 47 in 2005 and 41 in 2001. Slide-in truck camper owners were the oldest of any segment, with a median age of 50 in 2011, although even the median age declined from 51 in 2005 and 55 in 2001.
- The average income of RV owners was \$75,000 in 2011, which represented an inflation adjusted decline of 4% from 2005. The entire decline was concentrated among owners of conventional, fifth-wheel, and folding camping trailers. A relatively large gain was recorded for motorhome owners, whose average income rose to \$91,000 in 2011 from \$73,000 in 2005.
- Given that the average age of RV owners was 48 years old, just 39% had children under 18 living at home. The lowest proportion with dependent children was for truck campers (28%), followed by motorhomes (32%). The highest proportions were for owners of folding camping trailers (43%) and conventional and fifth-wheel trailers (44%).
- Compared with earlier surveys, RV owners aged 35 to 54 posted the largest gains in ownership rates, rising to 11.2% in 2011 from 9.0% in 2005. Ownership also edged higher among those aged 55 or older, rising to 9.3% in 2011 from 8.6% in 2005. Among those under age 35, ownership rates declined slightly to 4.9% in 2011 from 5.0% in 2005.
- Residents of the Western region continued to be the most likely to own an RV at 12.8%, although

growth in ownership among residents of the Midwest rose to 10.0% in 2011 from 9.7% in 2005 and ownership among residents of the Northeast increased to 6.1% in 2011 from 4.6% in 2005. Only Southern residents recorded a decline in ownership rates, falling to 6.0% in 2011 from 6.8% in 2005.

- Ownership rates of RVs significantly flattened across the age distributions. From age 35 to 64, RV ownership was at the 11% level, with a peak of 11.4% for those aged 45 to 54 years old. Among the oldest, those aged 75 or older, only 5.5% owned an RV.
- Ownership of RVs was at a peak among households with incomes between \$50,000 and \$75,000. Ownership rates showed only small variations for any income group above \$30,000, ranging from 8.7% to 10.0%.
- Among all RV owners, one-third purchased their RV new. The most likely type of RV to be purchased new was a conventional or fifth-wheel travel trailer. The majority of RVs (54%) were purchased used directly from their prior owner. Just 13% of all RVs in the 2011 survey were purchased used from a traditional dealership, down from 21% in 2005.
- The median RV age at the time of purchase of a used RV was 9.2 years in 2011, down from 10.0 in 2005 and 11.6 in 2001.
- The length of time current RV owners have actually owned their RV reflected a lengthening ownership period. The median number of years the RV was owned was 6.4 years in 2011, up substantially from 4.5 years in 2005 or the 4.8 years in 2001. The proportion of owners that owned their current RV for less than 3 years was just 16% in 2011, down from 35% in 2005.
- The average age of all RVs, counting those purchased both new and used, was 14.2 years in 2011, up from 12.7 years in 2005.
- The frequency that RVs are used remains a critical determinant of judgements about the cost and value of the RV. Overall, RV owners in the 2011 survey used their vehicle a total of about three weeks per year, with motorhome and travel trailer owners using their vehicle more than the average, and folding camping trailer and truck camper owners less than average. Importantly, more

frequent use was associated with the intention to purchase another RV, especially new RVs.

- The planned uses of RVs prior to their purchase closely matched the actual uses of RVs following their purchase. Camping was more often a planned and actual use of travel trailers. Planned travel was more common among motorhome owners, although they actually used their motorhome less than they had anticipated for travel.
- While competing demands on their time was the most frequent reason given by owners for not using their RV more often, just as many owners cited the costs of travel had constrained their use of the RV. While gasoline prices have been high, a more compelling reason was that their income had declined.
- When asked why they purchased the particular type of recreation vehicle they now own, the purchase price of the vehicle was mentioned by 39% of all owners. Price was mentioned by 29% of owners that purchased their RV new and by 44% that purchased their RV used. Features and amenities were the dominate factors when selecting their RV among new buyers.
- The timing of RV purchases were dominated by family reasons (such as the age and presence of children and retirement), the availability of purchase discounts on RVs, and to accommodate specific recreation and vacation plans.
- Folding camping trailers continue to be a good entry RV. Ownership of folding camping trailers were more often associated with subsequent purchases of motorhomes, conventional trailers, and fifth-wheel travel trailers. In contrast, owners of motorhomes and travel trailers were more likely to plan to replace their current RV with another RV of the same type.
- As in prior surveys, there was a larger proportion of households that had owned an RV at some time in the past than currently owned an RV. Overall, 13.2% had owned an RV in the past in the 2011 survey. This was well above the 11.5% in 2005, partly reflecting the turmoil in family finances.
- Former owners were much older than current owners, indicating that they had given up their RV because of their advancing age. There was a much greater frequency of former owners starting at age 65. By age 75, there were three times as many former owners as current owners.

- Former RV owners were less likely to be married, and more likely to be divorced or widowed, more likely to live in households with only one adult, and more likely to have no dependent children living at home compared with current RV owners. These family changes had a significant impact on the decision to sell their RV.
- In the 2011 survey the median number of years that former owners sold their RVs was 12.2 ago, up from 10.8 in 2005 and 10.2 in 2001. Although a significant share sold their RV more than 10 or 20 years ago, one-fifth of former owners sold their RV within the last four years, and four-in-ten sold their RV less than 10 years ago.
- The primary reason given by former owners for selling their RV was related to their family's situation and their health. Lack of time to use the RV was most frequent among past owners of folding camping trailers, who mentioned this reason nearly twice as frequently as former motorhome owners. The least common reason was changes in leisure preferences, although this reason was still mentioned by one-in-four former owners.
- Seven-in-ten current RV owners plan to purchase another RV to replace their current unit, with 37% of these expecting to purchase a new RV. Current owners that intend to purchase either a new or a used RV plan the purchase in 4.8 years on average.
- When purchase intentions of current RV owners were compared with purchase intentions in the prior surveys, the 2011 data indicated a strong increase in new purchase intentions, and a slight overall increase in used purchase intentions.
- Among former owners, 27% planned to purchase another RV in the future, with 22% of these buyers planning on a new purchase. Both new and used purchases of RVs among former owners were lower in 2011 than in 2005 or 2001, however. New purchases were planned to take place later in the 2011 survey than in 2005, while the timing of used purchases were planned during the same time frame as reported in 2005. As expected, most of the former owners that planned to purchase an RV again were younger.
- Among new market entrants, defined as households that had never owned an RV in the past, 14%

planned on purchasing an RV in the future in the 2011 survey, between the 18% in 2005 and the 11% recorded in 2001. The median time before making a used purchase was 5.0 years, while for new purchases is was 7.3 years—but both were planned to take place somewhat sooner than expected in 2005.

- When RV purchase intentions were combined across current owners, former owners, and new market entrants, a total of 21% of all U.S. households in the 2011 survey intended to purchase an RV, between the 23% in 2005 and the 16% in 2001.
- New RVs were intended to be purchased by 7.0% of all households in 2011, much closer to the 7.6% in 2005 than the 5.3% in 2001. Used RVs were intended to be purchased by 13.7% in 2011, in between the 15.4% in 2005 and the 10.7% recorded in 2001. The timing of new RV purchases was just two-tenths of a year later than in 2005, and the timing of used RV purchases was just two-tenths of a year sooner than in 2005. Given the state of the economy when these data were collected, the results clearly indicate continued strong prospects for RV ownership in the years ahead.
- Taking account of all purchase intentions across all market segments, the data indicate that for new RV sales, the share accounted for by current owners will increase to 33% of all new sales from 21% in 2005, while the share of total sales accounted for by first time buyers fell by ten percentage points compared with the 2005 figure.
- Interestingly in the 2011 survey, current owners intended to increase their overall share of motorhome purchases, from current share of 24% of all RVs to 31%.
- Financial ability was the most important factor determining the timing of the next RV purchase for all buyers. Family related reasons was the next most important factor affecting the timing of their next purchase. The cost and availability of good buys were cited more frequently by former owners.
- The most important features and amenities sought by those who intend to purchase an RV in the future were interior space (mentioned by 52%), ease of setup (52%), road handling (43%), and heating and cooling systems (40%). When asked if they were willing to compromise on any of the above features to get a lower price, few thought they would be willing.

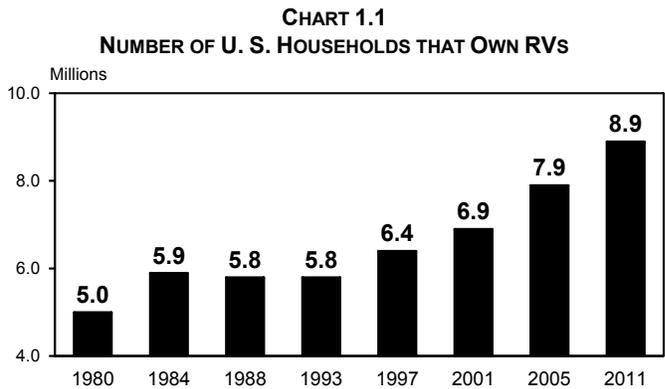
- The one feature that was found important by the least buyers (24%) and the most often cited as the feature they would give up to purchase a less expensive RV was entertainment and electronic devices (58%).
- The feature that may have the largest cost implications and was singled out as an area that potential buyers were willing to economize was the materials used to construct furniture, cabinets, flooring and other living spaces. One-in-four of those that intended to purchase another RV in the future mentioned that they were willing to economize on these items to get a lower priced RV, especially motorhome buyers.
- RV owners displayed a distinctive pattern of preferences for leisure time activities. The most distinctive were the frequent engagement in outdoor activities with other family members and their preferences for camping. RV owners were generally more active, more frequently taking weekend getaways, or more frequently going to outdoor concerts and sporting events.
- Former RV owners displayed recreation preferences that were generally closer to current owners, but not always. For example, former owners were much closer to those that have never owned an RV in terms of their preferences for outdoor family-centered activities, camping, taking weekend getaways and attending outdoor concerts and sporting events. These events naturally go along with greater RV usage that plays an important role in creating value. Whether these are cause or effect is not known, but the association means that such uses of RVs need to be promoted so as to keep owners from leaving the industry.
- All households that did not currently own an RV were asked about whether they would consider renting an RV in the next year or so. In the 2011 survey, 21% of non-RV owners said that they would consider renting an RV. The highest rental propensities were among younger, higher income, and Western households.
- Perhaps the most important finding was that rental intentions were three times as frequent among households that expressed plans to purchase an RV sometime in the future compared with households who had no purchase plans. Half (47%) of those who expressed plans to become first-time buyers also consider renting an RV. Facilitating rentals that contain amenities and features

that will spark and enhance the appeal of RV ownership is a natural strategy to expand the market.

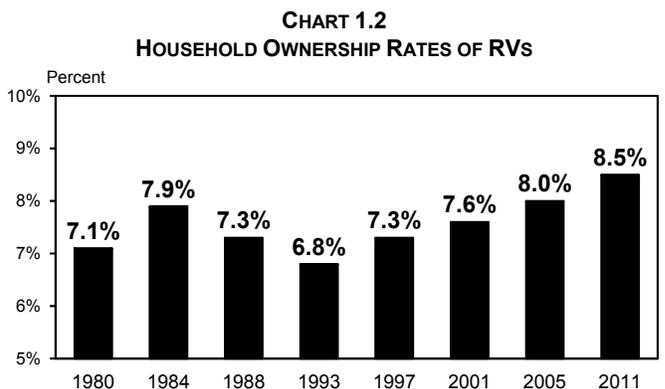
1. Current Ownership of RVs

Record RV Ownership Levels

More U. S. households owned an RV in 2011 than any other time during the past thirty years, with a substantial increase in ownership of RVs during the past decade. A traditional recreation vehicle was owned by 8.9 million households living in the United States in 2011 (see Chart 1.1). The number of households that owned a motorhome, travel trailer, fifth-wheel travel trailer, a folding camping trailer, or a slide-in truck camper has grown by 78% from 1980 to 2011. The pace of growth accelerated starting in the late 1990's, with ownership increasing by 29% in the ten years since 2001, and by 13% in the past six years. The rapid increase in RV ownership was due to record sales of new RVs, which reached their highest level during the past quarter century in 2006.

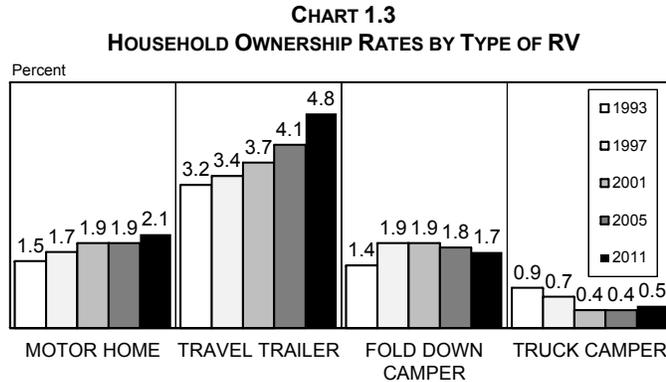


RV ownership as a proportion of the vehicle owning U.S. population has also increased in recent years, reaching the highest level in more than a quarter century in the 2011 survey. Ownership rates among U.S. vehicle owning households increased to 8.5% in 2011, up from 8.0% in 2005, and the recent low of 6.8% in 1993 (see Chart 1.2). Importantly, the data indicate a rising number of RV owners as well as a rising share of households that have chosen to purchase RVs. The steady gains in the percentage of households that own an RV over the past decade reflect the strong and enduring appeal of the RV lifestyle.



Growth In Types of RVs

Ownership rates of travel trailers, including conventional and fifth-wheel travel trailers, posted the largest gains in the 2011 survey. Overall, 4.8% of all households owned a travel trailer in 2011, up from 4.1% in 2005 and 3.7% in 2001 (see Chart 1.3). Over the past decade, ownership of travel trailers increased by 30%, making ownership of conventional and fifth-wheel travel trailers more than twice as likely as any other type of RV. Ownership rates of motorhomes also improved in 2011, but at a much slower pace than travel trailers. Ownership of motorhomes, including type A, B and C's, stood at 2.1% in 2011, up from 1.9% in 2005 and 2001. Importantly, household ownership rates of travel trailers and motorhomes were at the highest level in more than a quarter century.



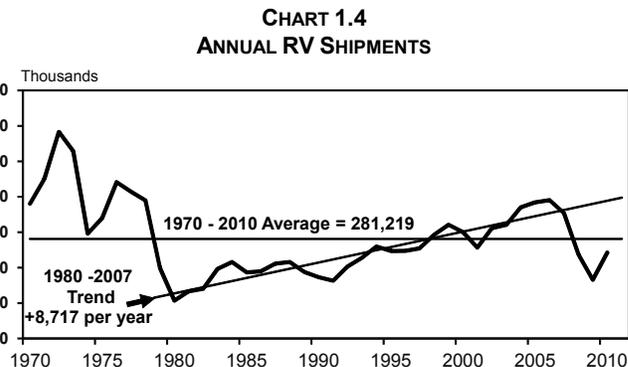
Folding camping trailers fell slightly to 1.7% of all households, down from 1.8% in 2005 and 1.9% recorded in 2001 and 1997. Since travel trailers are a close substitute for folding camping trailers, the retreat in folding campers was not due to a fall-off in the appeal of the RV lifestyle, but to a shift by consumers toward conventional travel trailers.

The 2011 survey recorded an end to the steady slide in the ownership rate of slide-in truck campers, which recorded an ownership rate of 0.5%, barely above the 0.4% in the prior two surveys. Importantly, even when the proportion of households that own a particular type of RV was unchanged, the absolute number of RV owners nonetheless increased due to the growth in the number of U. S. households.

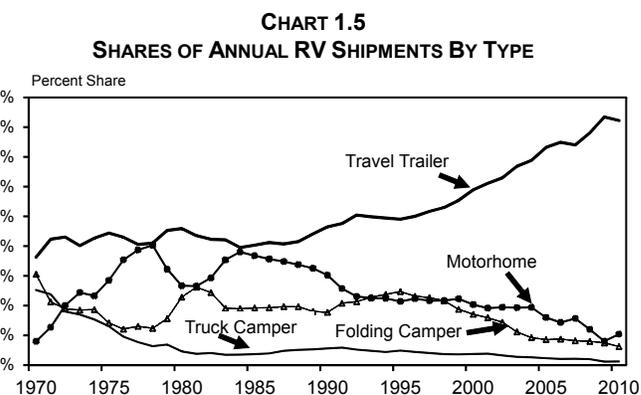
A number of factors prompted the shift toward travel trailers during the past several years. There has been a substantial increase in the ownership of household vehicles capable of towing larger and heavier RVs. The higher ownership rates of pickups and SUVs favored the ownership of all types of travel trailers. Higher fuel efficiency regulations may make ownership of vehicles that can tow heavier RVs less likely in the future, but the very high number of large pickups and SUVs now owned by households will continue to foster the ownership of travel trailers.

Trends in Aggregate RV Shipments and Sales

The survey data on ownership trends is consistent with aggregate industry data on RV shipments. During the past forty years, the average yearly sales of traditional RVs was just over 280,000 units (see Chart 1.4). RV shipments reached a quarter century peak of 390,000 units in 2006. From 2006 to 2009, RV shipments declined by 58%, a much less precipitous loss than the 82% decline from 1972 to 1980. Both declines, however, have sparked the fear of a long lasting shift in RV demand: in the 1970's due to energy concerns and more recently due to concerns that growth in consumers' income and wealth will remain subdued for an extended period of time. As indicated in Chart 1.4, the period from 1980 to 2007 recorded steady growth in RV demand with only small yearly variations. Unfortunately, there was no return to the much higher levels recorded in the early 1970's. The 1980 low established a new base on which a consistent expansion was built over the next quarter century. Now, the key issue is whether demand will resume the trend formed after 1980 or once again start its expansion from its lower 2009 base. There are aspects of the Great Recession that suggest the road to recovery will be slower than even the pace of improvement after the 1980 low, and some reason to expect the pace of growth to resume, after a short delay, to its former growth rate of about 8,717 units a year.



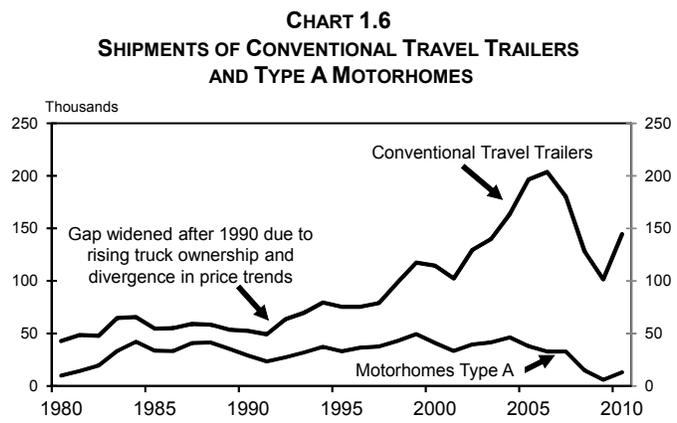
When the shipment data are disaggregated by type of RV, the same picture emerges as with the household data. Travel trailers, including conventional and fifth-wheel travel trailers, have come to dominate the industry. The percentage share of travel trailers has been steadily rising since the mid 1980's (see chart 1.5). By 2010, travel trailers accounted for about 82% of all new RV shipments, up from 59% in 2000 and 46% in 1990. However, the shares of all other types of RVs have fallen. The percentage share of all types of motorhomes account for about 10% of all RV shipments in 2010, down from 20% in 2000.



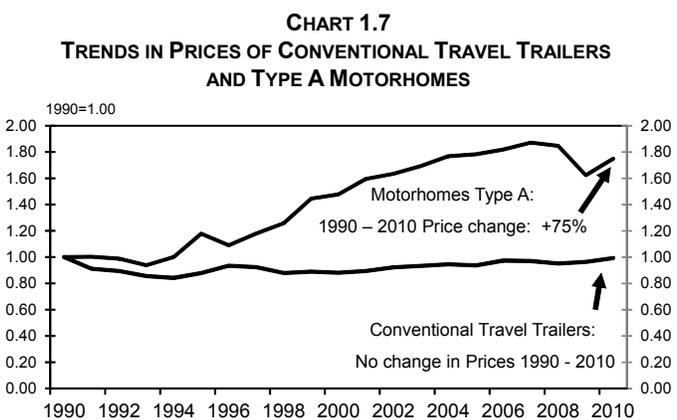
Folding camping trailers as a share of total RVs fell to its lowest level in forty years, just 6% in 2010, down from 17% in 2000. The share of truck campers has also declined, falling from 4% in 2000 to just 1% in 2010. The household data on ownership trends closely reflects these trends in industry shipments of RVs.

Impact of Differential Pricing Trends

What is responsible for the dominance of travel trailers? There are at least two economic reasons. First, as already mentioned, most households already owned a vehicle capable of towing a travel trailer, making the purchase of a travel trailer more efficient economic decision. Second, relative price trends greatly favored travel trailers compared with motorhomes. For this analysis, industry shipments of conventional travel trailers were compared with shipments of type A motorhomes. As shown in Chart 1.6, sales of these two types of RVs were nearly equal in the 1980s, but quickly began to diverge in the 1990s.



Price trends for these two types of RVs are shown in Chart 1.7. The data reflect wholesale prices reported by the Recreation Vehicle Industry Association. Wholesale prices were selected since these prices are under the direct control of manufacturers. To control for changes in the overall rate of inflation, the RV price data were deflated by the Consumer Price Index (CPI-u) published by the Bureau of Labor Statistics. The data thus show the inflation-adjusted price changes in conventional travel trailers and type A motorhomes. Finally, an index for each series of prices was calculated using the 1990 price as the base.



Remarkably, the wholesale price of a new conventional travel trailer in 2010 was equal to its inflation-adjusted level in 1990. This means that the

wholesale price for conventional travel trailers was \$16,773 in 2010, the same inflation-adjusted level as in 1990. Moreover, annual variations in the wholesale price of conventional travel trailers over the past twenty years have been minor. This represents a remarkable feat to produce new vehicles with constant upgrading over twenty years without an increase in its inflation adjusted price. To be sure, this does not imply no change in prices for conventional travel trailers; indeed, the CPI increased on average by 3.3% per year from 1990 to 2010.

When the price data for type A motorhomes was examined in the same manner, a totally different picture emerged. The inflation-adjusted price of motorhomes increased by 75% from 1990 to 2010. In 2010, the average wholesale price of a type A motorhome was \$140,937, up from an inflation-adjusted price of \$80,549 in 1990. Since wholesale prices were computed as a weighted average of actual shipments, the overall price change represents differences in the units and features that consumers chose to buy as well as changes in prices for “identical” units.

The argument that consumers simply preferred more feature laden and larger units does not explain the associated loss in sales of less expensive units. While it would be reasonable for any one manufacturer to maximize profits by concentrating on more expensive units even if their sales would decline, it would not explain why all manufacturers ignored sales of less expensive units. Another possible explanation is that the lower priced motorhomes were simply dominated by competitors, in this case, conventional travel trailers. While this explanation ignores the distinctive features offered by motorhomes, insofar as this was the true reason, it may be difficult to get these RV’ers back as long as they own appropriate tow vehicles.

Economic Constraints on Growth

Expectations for growth in income, jobs, home and stock values over the next five years are not as favorable as in the past few decades. In addition, credit availability will not be as unlimited as in the last decade—although much of the new regulations on consumer credit have yet to be formulated—and the tax deductibility of interest charges on RV loans may change in the next few years. Moreover, new energy regulations call for a steep increase in mileage standards for household vehicles which may decrease the towing ability of household vehicles. While the appeal of the RV lifestyle remains vibrant, these constraints on the household’s ability to buy are likely to have a significant impact on the industry.

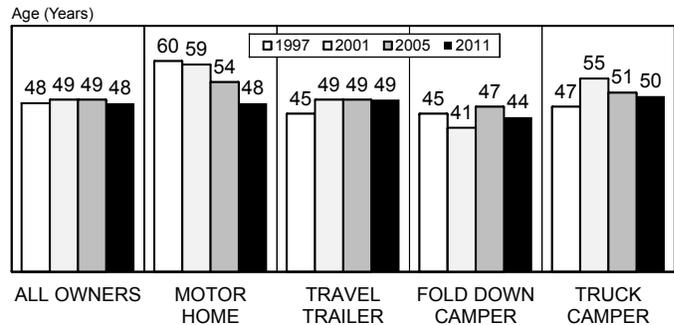
Over the longer term, these economic challenges will cause changes in the type and features of RVs that will be demanded by consumers in the future. Consumers want to retain the same cherished experiences while staying within their new budget constraints. Motorhomes gained an advantage following the run-up in energy prices in the 1970's, but are now poorly positioned in terms of pricing. Larger conventional and fifth-wheel travel trailers have disadvantages that will rise as household vehicles capable of towing decline. Rightsizing RVs for the decade ahead will require fresh thinking about design and layout as well as features and amenities. Those that adapt and evolve their products to meet the new economic realities will reap the benefits of market leadership.

2. Demographic Characteristics of RV Owners

Age and Income Profile

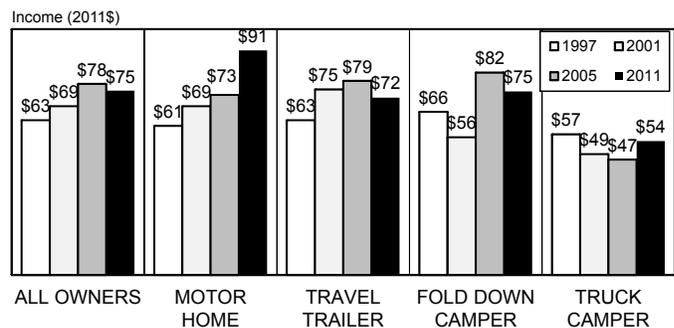
There has been little change in the median age of RV owners over the past decade. The typical RV owner was 48 years old in the 2011 survey, just below the median age of 49 recorded in 2001 and 2005 and equal to the 1997 survey (see Chart 2.1). This is slightly younger than the median age of all U.S. householders, which was 50 according to the 2010 Census. The largest change over the past decade has been in the age of motorhome owners, which fell from a median of 60 in 1997 to 48 in 2011. The decline in the age of motorhome owners was accompanied by a sizable reduction in the motorhome share of all RVs. In contrast, owners of conventional and fifth-wheel travel trailers recorded a median age of 49 in each survey conducted since 2001. Given that travel trailers account for the majority of RV sales, it is not surprising that the age of all RV owners should closely mirror travel trailer owners. What is surprising is that the owner's age of each type of RV have converged, with the median ages of the majority of RVs between 48 and 49. To be sure, the owners of the two smallest segments were somewhat younger and older: folding-camping trailers were the youngest in 2011 (44 years old) and owners of slide-in truck campers were the oldest (50 years).

**CHART 2.1
MEDIAN AGE OF RV OWNERS**



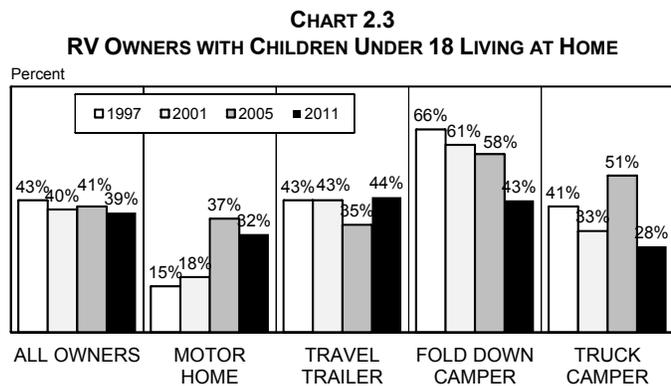
The average income of all RV owners was \$75,000 in the 2011 survey, between the \$78,000 in 2005 and \$69,000 in 2001 (see Chart 2.2, all figures in constant 2011 dollars). The 4% decline from 2005 to 2011 was equal to the decline for all households reported by the Census. The income of RV owners, however, was above the mean income of \$67,530 for all households that was estimated by the Census Bureau for 2010. The small dip mainly reflected income declines among travel trailer owners,

**CHART 2.2
MEAN INCOME OF RV OWNERS**



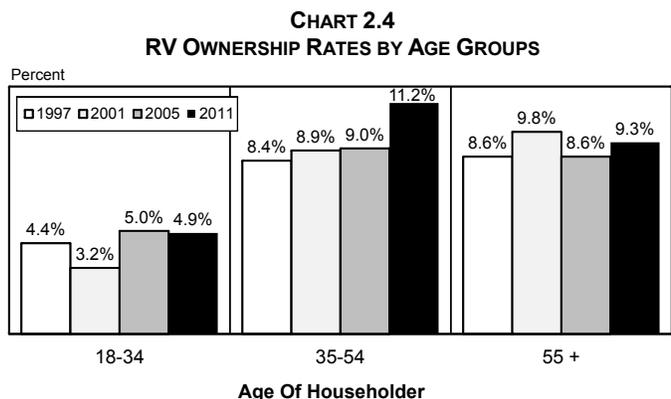
which fell to \$72,000 in 2011 from \$79,000 in 2005, and owners of folding camping trailers, which fell to \$75,000 in 2011 from \$82,000 in 2005. The largest gain was recorded by owners of motorhomes, with owner’s incomes rising to \$91,000 in 2011 from \$73,000 in 2005—a gain of 25% in inflation-adjusted income. The household incomes of owners of truck campers also increased, moving to \$54,000 from \$47,000 in 2005.

Given that the typical RV owner was 48 years old, it should be no surprise that just 39% of all owners had children under 18 living at home—which was below the 41% recorded in 2005 and 43% in 1997 (see Chart 2.3). Owners of motorhomes and truck campers were somewhat less likely to have children living at home than owners of travel trailers of any type. It is of some interest to note that owners of folding camping trailers have posted consecutive declines in the presence of children living at home during the past decade. Perhaps the most striking finding of the 2011 survey was that the majority of owners of all types of RVs had no children under 18 living at home—61% in 2011.



Demographic Changes Over Time

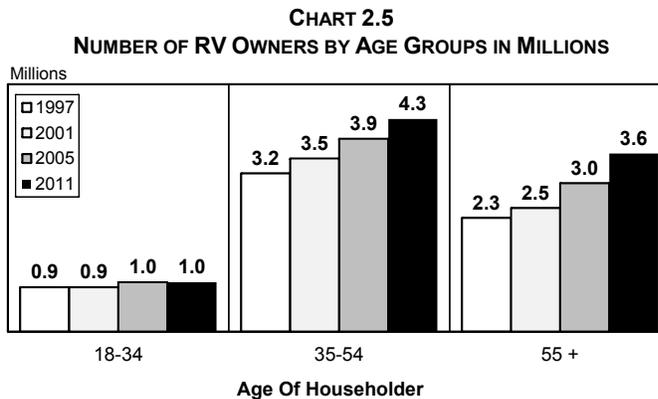
It is of some interest to note the changes in RV ownership rates by age cohorts given the significant efforts recently made to draw younger households into the RV market. Overall, the largest gain in RV ownership during the past five years was among householders aged 35 to 54 (see Chart 2.4). Ownership among this key age group rose to 11.2% in 2011 from 9.0% in 2005. Ownership rates also increased among those aged 55 or older, with ownership rising to 9.3% in 2011 from 8.6% in 2005. Only among the youngest, those under age 35, did ownership rates fall, posting a slight decline to 4.9% in 2011 from 5.0% in 2005. The 2011 survey appears to suggest that industry programs to attract younger owners



have had a noticeable impact on RV ownership.

The pattern of RV ownership rates among age groups must be combined with the absolute numbers of households within those age groups in order to get a more complete assessment (see Chart 2.5).

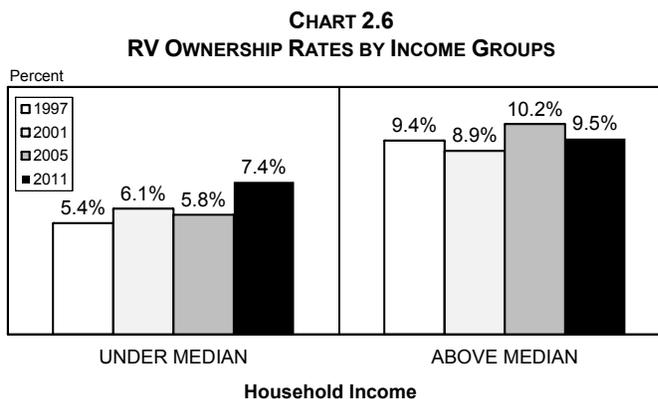
The difference is that the data in Chart 2.4 represent the proportion of the age groups that own RVs, while the data in Chart 2.5 represent the absolute number of RV owners in each age group. The data indicated gains in the past five years in the absolute number of owners over age 35. RV owners aged 35 to 54 years old grew to 4.3 million in 2011 from 3.9 million in 2005 and 3.5 million in 2001.



There were 3.6 million owners over age 55 in 2011, up from 3.0 million in 2005 and one million higher than in 2001. These strong gains in the oldest age group reflect a combination of somewhat higher ownership rates among a swelling number in this age group due to the aging of the baby-boom population.

The broad changes in RV ownership rates by income groups indicate that the entire growth in ownership from 2005 to 2011 was among households with incomes below the overall median (see Chart 2.6).

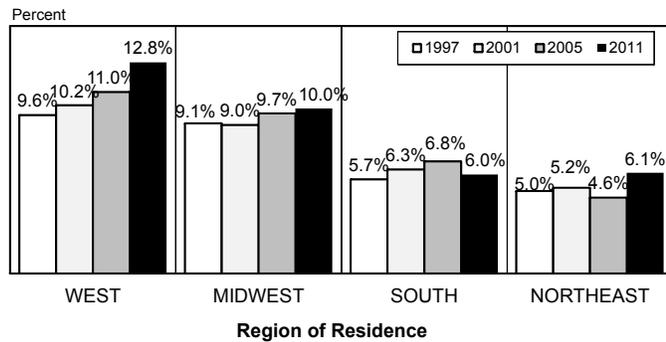
The overall median household income was just below \$50,000 in 2010. RV ownership among households with incomes under the median rose to 7.4% in 2010, from 5.8% in 2005. In contrast, ownership among households with incomes above the median declined to 9.5% in 2011 from 10.2% in 2005, returning to near the 9.4% recorded in 1997.



Rather than interpret the data as indicating that RV ownership has become more appealing to lower income households, the data suggest that RV owners as a group were more likely to be negatively affected by the Great Recession. Indeed, the Census reported that the largest percentage decline in household incomes from 2009 to 2010 was among those aged from 45 to 64, age groups that reported high RV ownership rates. Yet, despite the difficult economic conditions, these households maintained their ownership of RVs.

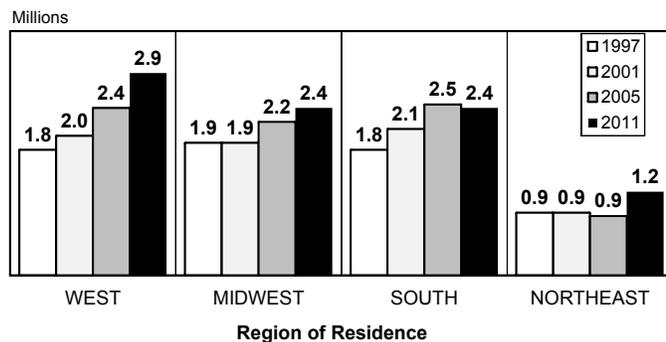
The dominance of the Western region in terms of RV ownership has continued to increase during the past decade. RVs were owned by 12.8% of Western residents in 2011, up from 11.0% in 2005 and 9.6% in 1997 (see Chart 2.7 and the appendix for the states included in each region). The second highest ownership rate was among residents of the Midwest in each survey, with the 2011 ownership rate rising to 10.0% from 9.7% in 2005. Residents of the South and Northeast reported much lower ownership rates, although the second largest gain was posted by residents of the Northeast. RV ownership rose to 6.1% in 2011 from 4.6% in 2005. The increase meant that residents of the Northeast slightly edged out Southern residents, whose ownership rate fell to 6.0% in 2011 from 6.8% in 2005. Over the ten years from 2001 to 2011, ownership rates increased by 2.6 percentage points in the West, by 1.0 percentage points in the Midwest, and by 0.9 percentage points in the Northeast. The only ten-year decline was posted among residents of the South, amounting to a loss of 0.3 percentage points.

**CHART 2.7
RV OWNERSHIP RATES BY REGION**



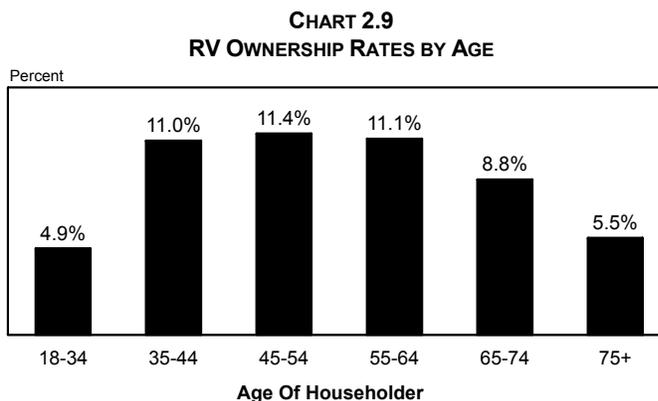
Since the size of the regions differs substantially, data on the absolute numbers of RV owners within each region is needed for a complete assessment. In terms of the number of households in 2010, the largest region is the South (37% of all households), followed by the Midwest (23%), the West (22%) and the Northeast (18%). The growth in ownership rates in the West, even with a much smaller population than the South, catapulted the West to the highest absolute number of households that owned RVs in 2011 (see Chart 2.8). Indeed, of all regions, only the South witnessed losses in the total number of RV owners in the last five years. The number of owners rose in the Western states by 500,000, owners living in the Northeast posted a gain of 300,000, and 200,000 were added in the Midwest.

**CHART 2.8
NUMBER OF RV OWNERS BY REGION IN MILLIONS**

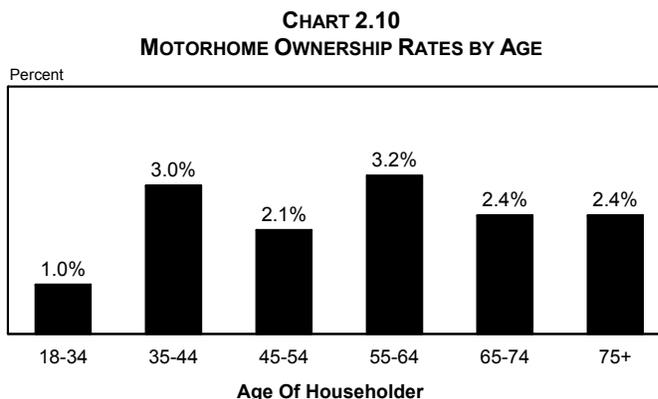


2011 RV Ownership Rates By Age Groups

Age along with income are the two most important characteristics of households that are associated with RV ownership. RV ownership increased from an ownership rate of 4.9% for those householders under age 35, to a peak of 11.4% for householders aged 45 to 54, and then fell to 5.5% among those who were 75 years or older (see Chart 2.9). Perhaps the most important finding from the 2011 survey was that the ownership rate rose quickly and remained at high levels until households were above the age of 75. Indeed, the ownership rates among those age 35 to 64 showed only minor variations, ranging from a high of 11.4% to a low of 11.0%. These data suggest that the youngest householders may not have established their families as yet, or had income constraints, and among the oldest families it was a matter of health or physical ability that limited their ownership of RVs. Also, note that in the past several years young adults have stayed or returned to parental households in record numbers. This shift may have meant that fewer younger owners and more older owners were identified as the head or spouse of households, who were generally defined as the owner.



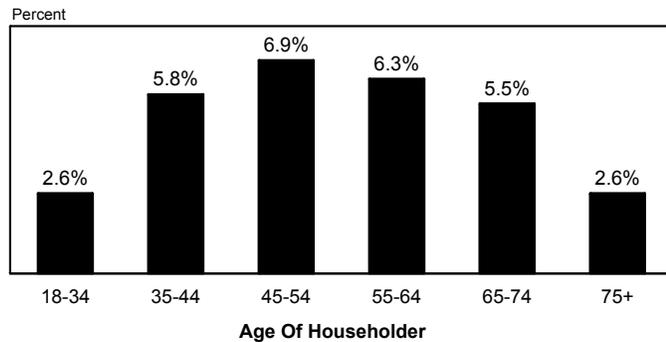
Motorhomes. Although ownership of motorhomes in the 2011 survey reached its peak rate among householders aged 55 to 64, there were rather small variations in ownership rates for all those aged 35 and older (see Chart 2.10). The same overall flat age profile of motorhome ownership was recorded in prior surveys. The somewhat lower ownership rate among those aged 45 to 54 may simply be a sample anomaly, although it could reflect other spending priorities when demands on family budgets are highest.



Perhaps the most surprising result of the 2011 survey was the strong rise in motorhome ownership among those aged 35 to 44, which has not been observed in past surveys.

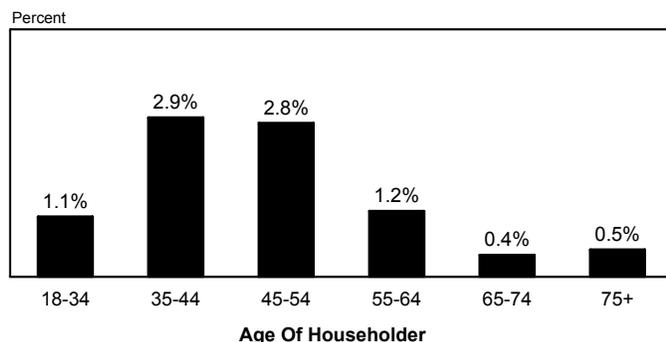
Travel Trailers. The data on ownership rates for travel trailers (including both conventional travel trailers and fifth-wheel travel trailers) reached a peak among those aged 45 to 54 (see Chart 2.11). Importantly, there were only small variations in ownership rates among those aged 35 to 74—ranging from 5.5% to 6.9%. This flattening of the age profile for travel trailers was similar for motorhomes. Ownership rates among the youngest (under 35) and oldest (over 75) were less than half the levels of those in the middle of the age distribution. The ownership data suggest travel trailers represent greater challenges to the oldest RV’ers, and after age 75 they increasingly sell their RVs. Among the youngest, economic and family constraints are likely to be critical. The widespread ownership of vehicles capable of towing trailers had the impact of not only increasing the appeal of travel trailers in terms of cost, but also acted to broaden their appeal across age groups.

**CHART 2.11
TRAVEL TRAILER OWNERSHIP RATES BY AGE**



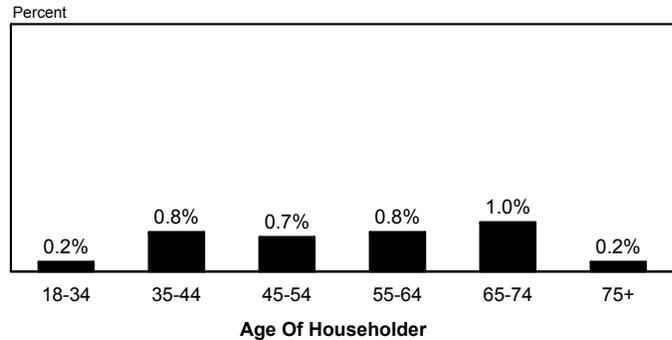
Folding Camping Trailers. The age profile for folding camping trailers indicates a stronger underlying appeal of these vehicles to younger buyers (see Chart 2.12). The ownership rate rises quickly from 1.1% among those under age 35, to 2.9% among those aged 35 to 44, and remains high at 2.8% among owners aged 45 to 54. The falloff in ownership is steep, falling to 1.2% in the pre-retirement years. By age 65, the ownership rates fall to just 0.4%, indicating that these vehicles do not appeal to older households. This may indicate that the physical challenges of setup may be more troublesome or that these RV’ers were simply more likely to purchase a different type of RV. As will be discussed later, ownership of folding camping trailers often precedes the purchase of other types of RVs. Insofar as an entry vehicle is defined as an initial RV that leads to purchasing another type of RV, the folding camping trailer fits that definition.

**CHART 2.12
FOLDING CAMPING TRAILER OWNERSHIP RATES BY AGE**



Truck Campers. The ownership of slide-in truck campers is uncommon for people of any age, as no age group recorded an ownership rate above 1% in 2011 (see Chart 2.13). The ownership rate of truck campers did not vary much across age groups, except among the youngest and oldest owners. From ages 35 to 74, ownership rates varied from 0.7% to 1.0%. Among those under age 35 or those aged 75 or older, ownership of truck campers was just 0.2%.

**CHART 2.13
TRUCK CAMPER OWNERSHIP RATES BY AGE**

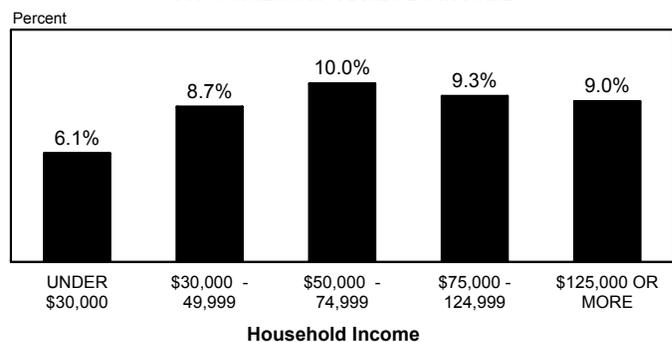


Importantly, a rising number of new pickups may be incompatible with truck campers given the popularity of extended cabs and other innovations in the design of pickups that have shortened the truck bed. Thus, travel trailers may have gained more from the popularity of pickups rather than slide-in truck campers.

2011 RV Ownership Rates By Income Groups

RV ownership rates were the highest among upper middle income households, reaching a peak ownership rate of 10.0% among those with incomes of \$50,000 to \$75,000 in 2011 (see Chart 2.14). Although ownership rates were higher among households with incomes above \$75,000 than with incomes below \$50,000, all income groups were well represented. Indeed, above household incomes of \$30,000, RV ownership rates were remarkably consistent, ranging from a low of 8.7% to a high of 10%.

**CHART 2.14
RV OWNERSHIP RATES BY INCOME**



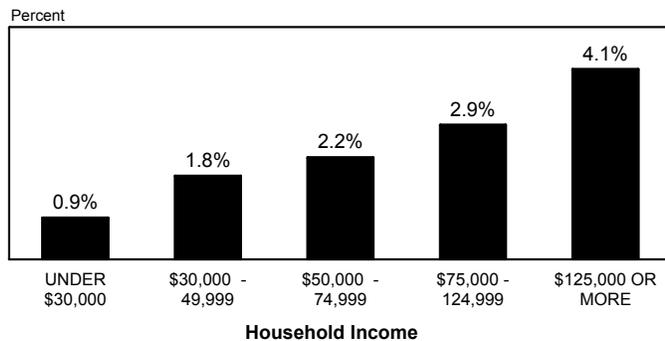
The relatively high ownership rate for those with lower incomes clearly reflects the reduced income of households in their retirement years. Overall, the data clearly indicates that the RV market offers a type of RV that is accessible to all income groups.

Motorhomes. The income profile of motorhome owners indicates a rising ownership rate as household income increases (see Chart 2.15).

The highest ownership rate was among households with incomes above \$125,000, at 4.1%. The lowest ownership rate, at 0.9%, was among households with incomes under \$30,000. Across all types of RVs, income had the largest impact on motorhome ownership rates. This was not unexpected as motorhomes are generally the most expensive type of RV.

Nonetheless, ownership rates were substantial across the middle income range. While new motorhomes can cost a considerable amount, it should be remembered that most motorhomes, like most RVs, are purchased used. Moreover, many older motorhome owners have retired and have lower incomes but have accumulated wealth. Overall, the data indicate that both new and used purchases of motorhomes are quite popular among households across the entire income distribution. Income plays an important role in the selection of an RV, but purchases of RVs is determined by more than just available income.

CHART 2.15
MOTORHOME OWNERSHIP RATES BY INCOME

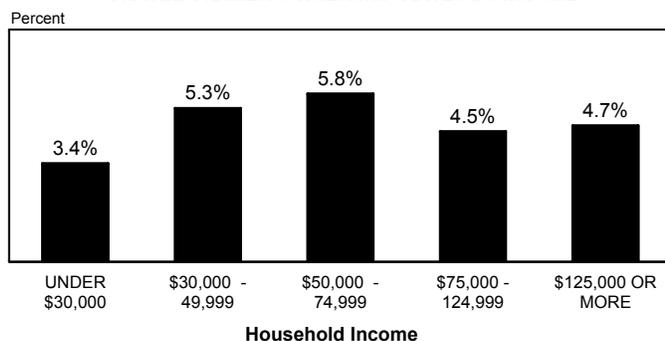


Travel Trailers. The ownership of conventional travel trailers and fifth-wheel travel trailers varied to a small extent by household income (see Chart 2.16).

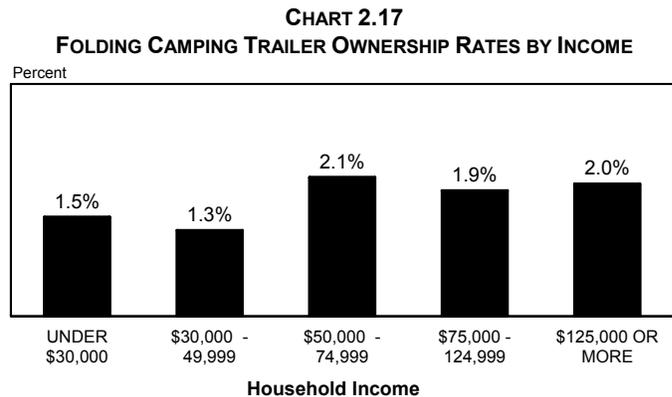
The peak ownership rate of 5.8% was among upper middle income households (\$50,000 to \$75,000), closely followed by an ownership rate of 5.3% among households with incomes just below the median (\$30,000 to \$50,000). The strong appeal of conventional and fifth-wheel trailers was demonstrated by the 4.7% of households with incomes above \$125,000.

For these top income households, travel trailers were more frequently owned than motorhomes (4.7% versus 4.1%). Overall, travel trailers were owned more frequently than any other RV by every income group.

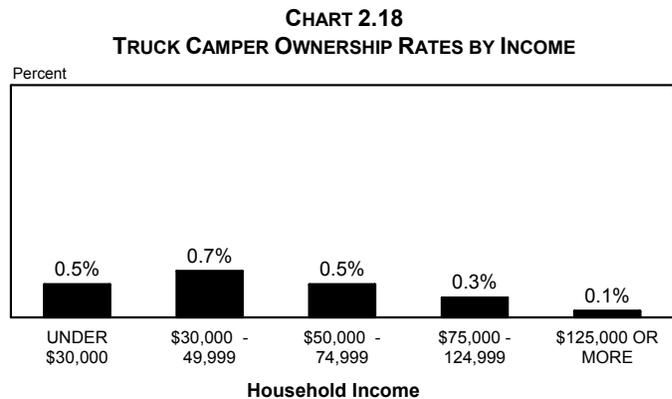
CHART 2.16
TRAVEL TRAILER OWNERSHIP RATES BY INCOME



Folding Camping Trailers. The ownership rate of folding camping trailers was higher among households with incomes above \$50,000 than among lower income households (see Chart 2.17). Even among the highest income households, those with incomes of \$125,000 or more, ownership was nearly identical with ownership rates among households with incomes of \$50,000 to \$75,000—2.0% versus 2.1%. Among households with incomes under the median, the ownership rate was slightly below the rates of higher income households. The ability of folding camping trailers to serve as an entry vehicle is aided by the strong ownership rates among higher income households, those households that are able to afford to purchase a larger RV.



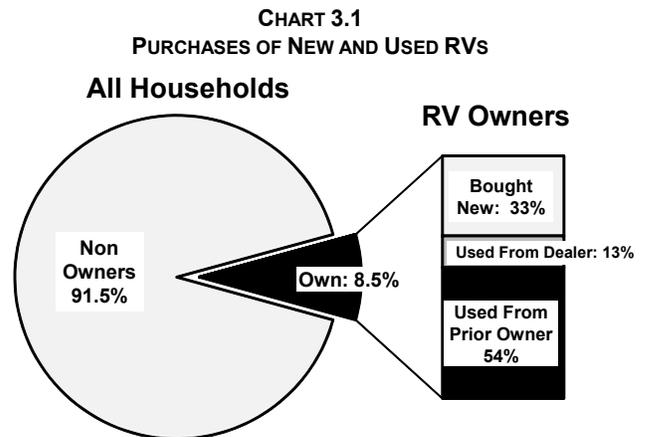
Truck Campers. The ownership of slide-in truck campers was most popular among households with incomes just below the overall median (see Chart 2.18). The ownership rate was highest at 0.7% among households with incomes between \$30,000 and \$50,000. Ownership of truck campers fell sharply as incomes rose and were rarely owned by households with incomes above \$125,000 (just 0.1%). Coupled with the fact that ownership rates generally rose along with age, the data indicate that these owners had relatively low incomes given their age. As a result, these owners do not represent very attractive prospects for future sales. Moreover, there may be a need to re-conceptualize or redesign truck campers to more closely reflect preferences to expand this market beyond its current niche.



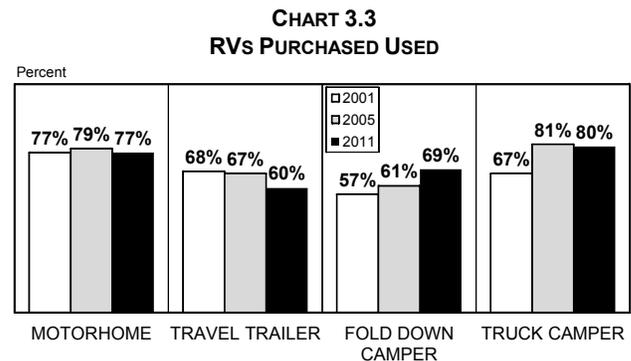
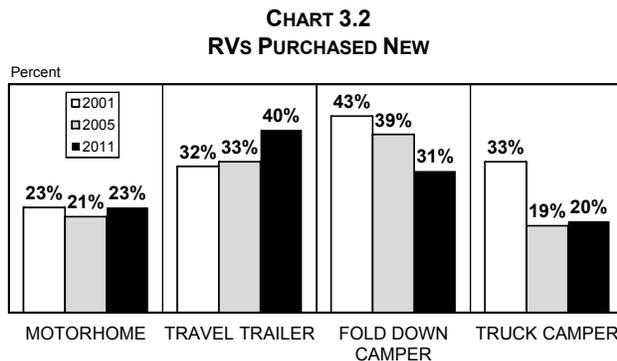
3. Purchases of New and Used RVs

Purchase Trends

One-third of all RVs were purchased new by their owners and two-thirds were purchased used (see Chart 3.1). Importantly, the relative share of new and used RV purchases has not changed to a significant extent in 2011 from the surveys conducted in 2005, 2001 or 1997. This reflects a rather natural process in which variations in sales of new RVs over the years have been matched by similar variations in sales of used RVs. Used purchases of RVs bought directly from the prior owner accounted for just over half of all RVs owned. Fewer used buyers purchased their RV from dealers in 2011. Used purchases from dealers fell to 13% in 2011 from 21% in 2005, but comparable to the 14% recorded in 2001. One might expect a lower proportion of dealer sales of used RVs in recent years due to the reduced number of RV dealers, but this ignores the fact that it was nearly the same proportion as in 2001.



The majority of every type of RV was purchased used by their current owner (see Charts 3.2 and 3.3). The largest change in purchases of new versus used RVs was for folding camping trailers, closely followed by travel trailers. The proportion of owners reporting a new purchase of folding campers fell to 31% in 2011 from 39% in 2005 and 43% in 2001. Conventional and fifth-wheel travel trailers, in contrast, were more likely to be purchased new. Among all travel trailer owners, 40% purchased their



unit new in 2011, up from 33% in 2005. The share of new purchases of motorhomes inched upward, with 23% purchasing new in 2011, above the 21% in 2005 and equal to the level recorded in 2001. There was a tiny increase in purchases of new truck campers in 2011 (20% up from 19% in 2005), but new purchases of truck campers remained well below the 33% recorded in 2001.

Sources of Used RV Purchases

Among current owners that purchased their RV used, more than three-in-four owners purchased their RV from the prior owner. Used travel trailers, including fifth wheels, were somewhat more likely to be purchased from dealers (24%) followed by motorhomes (19%). The least likely type of RV to be purchased used at a dealership was folding camping trailers (11%) closely followed by slide-in truck campers (15%). Nonetheless, about eight-in-ten used RVs, regardless of the type, were purchased used by the current owner from the prior owner (see

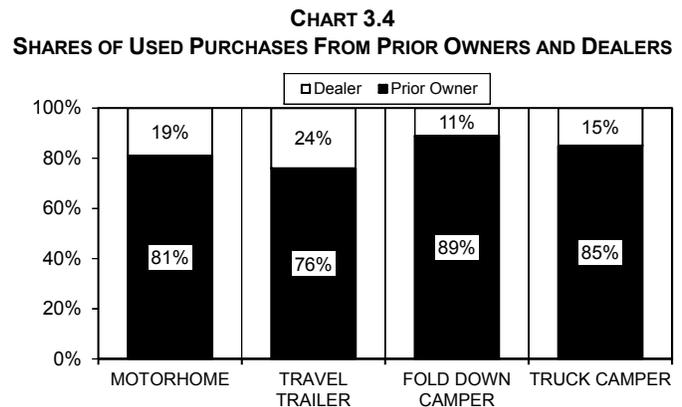
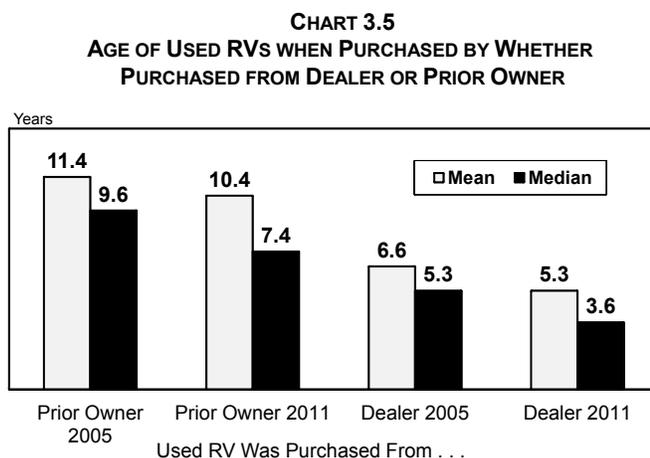


Chart 3.4). Compared with the data from the 2005 survey, the largest shifts toward purchases of used RVs from the prior owner were for motorhomes (down from 33% in 2005 or by 14 percentage points) followed by travel trailers (down 8 percentage points from 2005). While “newer” used RVs have typically been sold by dealers, the reduction in the dealer base may have had exaggerated the shift.

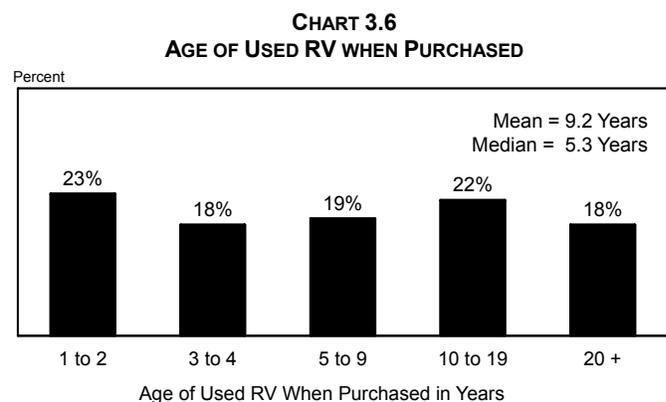
The age of the used RV at the time of purchase has declined in 2011 from the level recorded in 2005 for both purchases from the prior owner as well as from dealers (see Chart 3.5). The mean age of used RVs when purchased from the prior owner was 10.4 years old in 2011, one year younger than the 11.4 years recorded in 2005. The decline in the median age of used RVs at the time of purchase declined



somewhat more, falling to 7.4 years in 2011 from 9.6 years in 2005. The ages of used RVs purchased from dealers were uniformly younger, and like purchases from prior owners, were younger in 2011 than in 2005. The mean age of used RVs purchased from dealers was 5.3 years in 2011, down from 6.6 years in 2005, a decline of 1.3 years. The median age of used RVs purchased from dealers declined the most, falling to 3.6 years in 2011 from 5.3 years in 2005, a decline of 1.7 years. The larger declines in the medians reflect the fact that this statistic does not “overweight” the oldest vehicles. Overall, the data suggest that the severe economic downturn caused more economic hardship which, in turn, prompted more RV owners than usual to sell their units sooner than has been typical in the past.

Age of Used RVs at Purchase

Among all current owners that purchased their RV used, the median age of the used RV when it was purchased was 5.3 years old in 2011, down from 8.8 years old in 2005 (see Chart 3.6). In the past decade, the age at the time of purchase of used RVs has fallen by half, from 10.0 years in 2001 to just 5.3 years in 2011. Nearly one-in-four used RVs were just one or two years old when purchased in the 2011 survey. At the other extreme, nearly one-in-five were more than 20 years old. The average age when purchased declined more modestly to 9.2 years in 2011, from 10.0 years in 2005 and 11.6 years in 2001, reflecting the impact of much older units on the calculation of the mean. Overall, the data confirm much more activity in sales of RVs that were produced in the boom years of the last decade.

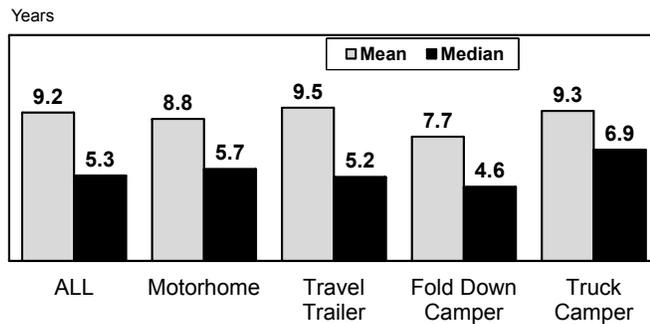


The sharp decline in prior years in the age of used RVs most likely reflected the strong appeal of new features such as slide-outs, which prompted owners to purchase another new RV sooner than otherwise and thus provide “newer” RVs to the used market. The more recent increase in the sale of newer RVs probably reflects the economic hardships caused by the Great Recession. Indeed, 41% of all used RVs in the 2011 sample were under five years old when purchased, and most were purchased via private sales rather than through a dealer. The prevalence of purchases of RVs under five years old was much higher in 2011 than the 29% recorded in 2005, or the 19% recorded in 2001. Surprisingly, purchases of the oldest used RVs accounted for 18% in the 2011 survey, up from 14%

in 2005.

The age of used RVs when purchased by their current owner showed only small variation by the type of RV purchased (see Chart 3.7). When the means are considered, only folding camping trailers were purchased used at a significantly younger age (7.7 years) compared with the roughly nine years for the other types of RVs. The highest mean was for travel trailers, including fifth wheels, which were on average purchased when they were 9.5 years old. Note that travel trailers also recorded a median age at purchase of just 5.2 years, indicating both a rapid turnover of relatively new trailers as well as the long life of these units reflected by the high mean age. The “newest” used RV at the time of purchase was the folding camping trailer, with a mean age of 7.7 years and a median age of 4.6 years. The average age when purchased of used RVs certainly attests to their durability, however, older units do not incorporate the benefits of the latest features, designs, and engineering of newer vehicles, and may suffer from higher maintenance and repair costs. An emphasis on the benefits of newer vehicles, especially the lower maintenance and repair costs, could help bolster sales of newer vehicles.

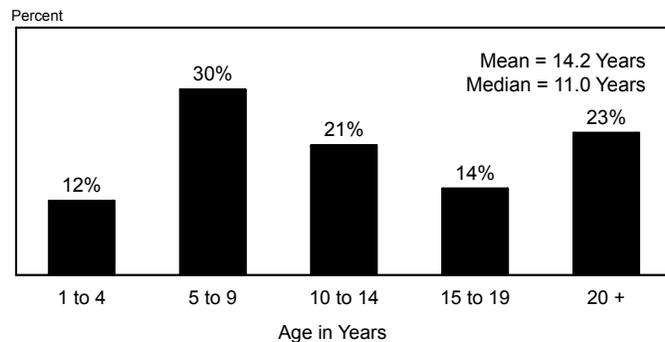
CHART 3.7
AGE OF USED RV WHEN PURCHASED BY TYPE



Age of RVs Currently Owned

The median age of all currently owned RVs, counting both those that were purchased new as well as used, was 11.0 years in 2011, up from 10.8 years in 2005 (see Chart 3.8). The increase in the age of all RVs reflects the record downturn in RV sales due to the Great Recession. The mean age of all RVs increased even more, rising to 14.2 years in 2011 from 12.7 in 2005, an increase of 1.5 years. The impact of the sales slump is clearly evident in the proportion of RVs that were currently 1 to 4 years old: just 12% were that old in 2011, down from 22% in 2005. The number of RVs aged 5 to 9 years increased to 30%

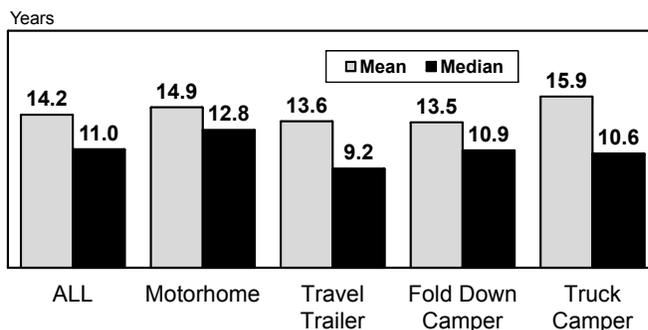
CHART 3.8
AGE OF RVs CURRENTLY OWNED



in 2011 from 24% in 2005. The proportion of all RVs owned in 2011 that were 20 years old or older was 23%, barely above the 22% recorded in 2005.

The oldest RVs currently owned are motorhomes, with the typical motorhome being 12.8 years old in the 2011 survey with a mean age of 14.9 years (see Chart 3.9). Travel trailers were much newer on balance with a median age of 9.2 years. The younger age of travel trailers reflects the much higher sales in recent years, adding many more new units to the total inventory of households and thus lowering the age of the typical unit. The wider gap between the mean and median age of travel trailers indicates a greater prevalence of much older travel trailers. The same is true for folding camping trailers and slide-in truck campers. The older age of motorhomes owned by households is likely to reflect falling share of sales in recent years. Nonetheless, since motorhomes generally have a shorter life span given they incorporate more working parts than travel trailers, it may indicate greater motorhome sales in the future as aging motorhomes are increasingly scrapped.

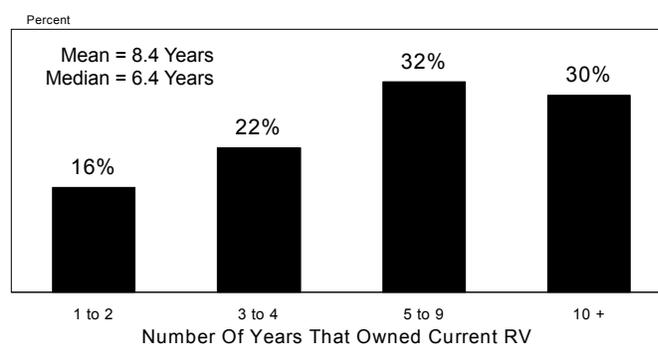
CHART 3.9
AGE OF RVs CURRENTLY OWNED BY TYPE



Length of Ownership of Current RV

The economic downturn’s impact on new RV sales was clearly reflected in the length of time RV owners have owned their current RV. Fewer owners have owned their RVs for a short period of time, as the proportion that owned their current RV for one or two years fell to 16% in 2011 from 35% in 2005 (see Chart 3.10). At the other extreme, 30% have owned their current RV for ten years or longer in 2011, well above the 23% who owned their RV that long in 2005. Nearly two-thirds of the RVs were owned five years or longer in the 2011 survey. The overall mean and median length of ownership of their current RV increased substantially. The median number of years increased to 6.4 in 2011 from 4.5 years in

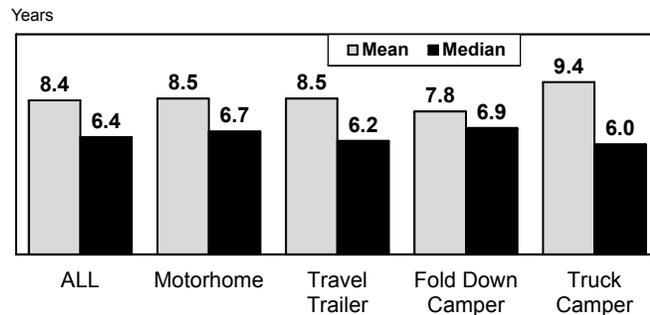
CHART 3.10
NUMBER OF YEARS OWNED CURRENT RV



2005, an increase of 1.9 years. The mean length of ownership rose to 8.4 years in 2011 from 6.6 in 2005, an increase of 1.8 years. Overall, this suggests higher replacement sales in the years ahead as the older stock of RVs will need to be replaced.

For all RVs, the mean number of years that these units have been owned was 8.4 years in the 2011 survey; the median was 6.4 years (see Chart 3.11). The median length of ownership for travel trailers, including fifth-wheels, was 6.2 years, slightly less than the 6.7 years that owners had the same motorhome. Folding camping trailers and slide-in truck campers had distinctive profiles. Truck campers had the highest mean length of ownership, 9.4 years, but the shortest median; this reflects a large number of recently

CHART 3.11
NUMBER OF YEARS OWNED CURRENT RV BY TYPE

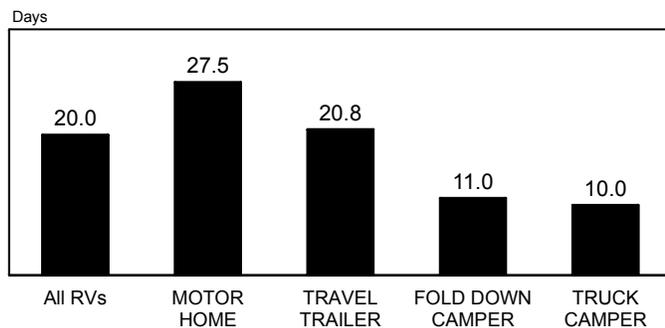


purchased units as well as a large number of relatively older units. The opposite was true for folding camping trailers: they had the highest median length of ownership and the lowest mean length of ownership. This was due to a relatively low number of recently purchased units as well as a low number of very old units.

Frequency of RV Use

The extent of the usage of an RV was approximated by the total number of days the RV was used during the prior twelve months (see Chart 3.12). The typical RV was used just under three weeks (20.0 days). This was a week less than in 2005 (26.3 days) but a day longer than in 2001 (19.0 days). Importantly, the 2011 survey ask about a time in which RV’ers faced the lingering effects of the worst economic downturn in a half a century as well as high fuel prices. Motorhomes were used more frequently than any other type

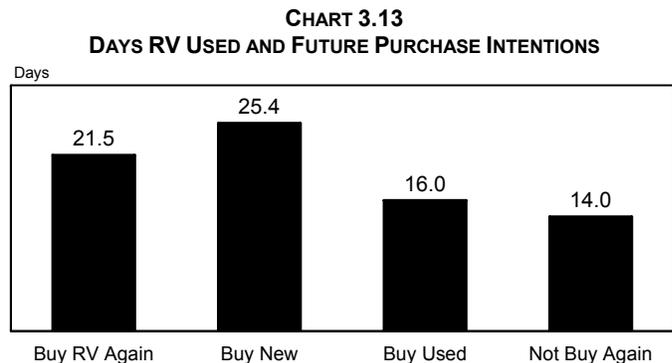
CHART 3.12
DAYS RV WAS USED DURING PRIOR 12 MONTHS



of RV, for an average of 27.5 days. Conventional and fifth-wheel travel trailers were used for three weeks (20.8 days). Most of the decline from 2005 was in the use of travel trailers. Folding camping

trailers were used by their owners for less than two weeks in the prior year (11.0 days). Slide-in truck campers were used the least number of days, just 10 days. For most cases, the total number of days was typically spread over more than one trip taken by the owner.

The frequency that owners use their RVs has an important impact on their future purchase intentions (see Chart 3.13). Owners that intended to purchase another RV used their current RV a total of three weeks in the prior year compared with two weeks among owners that did not intend to purchase another RV (21.5 versus 14.0 days). More importantly, households that reported intentions to purchase another new RV were the most frequent users, reporting an average days usage of nearly four weeks during the prior twelve months (25.4 days). In contrast, owners that planned to purchase a used RV reported less usage during the past year (16.0 days). Overall, the data continue to indicate the importance of usage for repeat buying. Actual usage reflects differences in perceptions of time constraints, as well as travel and recreational opportunities, which in turn influence their judgements about the value for the dollar that RV ownership provides for their families. Enhancing these travel opportunities is an important industry task.



Barriers to RV Use

Current owners were asked to identify the barrier that prevented them from using their RVs more frequently. It should be no surprise that competing time demands and the cost of travel were nearly equally mentioned. Competing time demands were cited by 39% of all RV owners and the cost of travel was cited as the critical factor by 37% (see Chart 3.14 on next page). Competing time demands involved a wide range of factors, from the problems of coordinating work and school schedules for busy younger families, to the need to coordinate with the schedules of grandchildren and medical needs among older RV owners. Costs involved the additional expenses of travel and costs at their destination. Importantly, given the widespread unemployment and stagnant incomes when the data were collected, any additional spending may have seemed extravagant.

The perception that there were no interesting places to go in their RV was mentioned by one-in-ten owners. Since just one-in-seven owners stated that there were no barriers to their more frequent use of their RV, this suggests that the vast majority of RV owners felt that their use of the RV was constrained. Given the important impact usage has on repeat buying, it is in the vital interests of the industry to promote the greater use of RVs.

CHART 3.14: BARRIERS TO USING RV MORE FREQUENTLY

	All RVs	Type of RV Owned		
		Motor-home	Travel Trailer	Folding Camper
Competing time demands	39%	40%	38%	43%
Cost of RV travel	37	43	34	32
No interesting places to go in RV	10	5	12	11
No barriers to RV travel	14	12	16	14
Total	100%	100%	100%	100%

The barriers to more frequent use of RV did not depend on the type of RV. The impact of competing time demands were as common across all types of RVs (see Chart 3.14). The cost of travel was mentioned somewhat more frequently among motorhome owners than travel trailer owners (43% versus 34%), but motorhome owners were less likely to voice the perception that there were no interesting places to visit (5% versus 12%). It should not be surprising that since the barriers to more frequent use depend on family schedules and household finances, these differences would not be related to the different types of RVs.

Reasons Given for Selection of the Type of RV

Current RV owners were asked to identify the most important reasons why they selected the particular type of RV they now own rather than purchasing a different type. The most common response was the purchase price of the RV, mentioned by 39% of all RV owners (see Chart 3.15 on the next page). The price was most important for owners that purchased folding camping trailers (51%), followed by motorhomes (41%) and travel trailers (35%). The purchase price was more

important for owners that purchased their RV used rather than new (44% versus 29%). Somewhat surprising was the relatively greater importance of the purchase price of folding camping trailers, perhaps indicating consumers' more constrained financial situation or competing expenditures.

The next most important factors were interior room (cited by 35%) and the number of sleeping spaces (mentioned by 31%). There was little difference in the appeal of these characteristics for buyers of new or used RVs. The type of RV was more sensitive, as the number of sleeping spaces were more important for buyers of folding camping trailers, although interior room was nearly equally cited by owners for the selection of their RV compared with other types.

Workmanship and styling were the next most important factors that owners cited for the choice of their RV. The overall workmanship and quality was cited by 29% for the selection of their RV. Importantly, there were only minor differences across types of RVs, although in the decision to purchase a new RV it was somewhat more important than for a used purchase (32% versus 28%). Selecting a new RV was more dependent on the styling and interior layout of the unit, mentioned by 39% of new buyers compared with 20% of those that purchased their units used.

Road handling in driving or towing the RV was mentioned somewhat more frequently by owners of folding camping trailers. While these units are the lightest trailers, they may be towed by the least experienced drivers. Nonetheless, purchasers of new RVs stressed road handling more than used buyers (31% versus 24%).

CHART 3.15: REASONS GIVEN FOR THE SELECTION OF THE TYPE OF RV HOUSEHOLD CURRENTLY OWNS

	All RVs	Purchased New	Purchased Used	Type of RV Owned		
				Motor home	Travel Trailer	Folding Camper
Purchase price	39%	29%	44%	41%	35%	51%
Operating costs	14	14	15	10	13	24
Interior room	35	37	35	35	37	35
Sleeping spaces	31	32	31	25	30	39
Workmanship and quality	29	32	28	30	29	33
Styling and interior layout	26	39	20	28	27	23
Road handling	26	31	24	26	23	33

Factors That Determined When the RV was Purchased

RV owners were asked to identify the factors that were most important in determining when their current RV was purchased (see Chart 3.16). The most important determinant of the timing of the RV purchase was connected to family transitions, such as marriage or divorce, retirement, the ages of their children or grandchildren, and so forth. These family reasons were cited as the most important factors by 36% of all RV owners. These family reasons were cited as frequently by buyers of new as used RVs. Family reasons were somewhat less frequently cited for purchases of conventional and fifth-wheel travel trailers (32%) than motorhomes (40%) or folding camping trailers (43%). The other major factor that determined the timing of their purchase and was independent from the usual economic and market factors was to accommodate plans for specific trips or vacations, cited by 30% of all current RV owners. This timing motivation was largely independent of the type of RV they purchased or whether they purchased the unit new or used.

The availability of discounts and special buys on RVs was another key determinant of the timing of purchases, mentioned by 31% of all current RV owners. This motivation was more important for buyers of used than new RVs (34% versus 24%), and more important for motorhome purchases (35%) than any type of trailer (30%). The availability of good buys on RVs was much more frequently mentioned than the condition of the RV they were planning to replace (19%), especially when they purchased a used vehicle. The family’s economic situation was cited by 24% as a critical factor, and the cost and availability of credit by 14%, both factors were more frequently mentioned for used purchases.

CHART 3.16: MAJOR FACTORS THAT DETERMINED THE TIMING OF PURCHASE OF CURRENT RV

	All RVs	Purchased New	Purchased Used	Type of RV Owned		
				Motor home	Travel Trailer	Folding Camper
Family reasons (retire, child, divorce, etc.)	36%	35%	36%	40%	32%	43%
Plans for specific trip or vacation	30	28	32	29	32	30
Availability of good buys and discounts	31	24	34	35	30	30
Cost and availability of financing	14	10	16	18	10	20
Financial situation at time of purchase	24	20	26	28	21	28
Condition of old RV that was replaced	19	23	16	12	22	22

RV Quality, Service Quality, Recreational Facility Quality

There are three major elements that determine the enjoyment of the RV lifestyle: the quality and performance of the RV, the quality of dealer maintenance and repair services, and the quality and availability of camping and recreational facilities. While there are many other factors that affect the ownership experience, these are the three factors that the RV industry can potentially influence. Two thirds of current RV owners were the most satisfied with the quality and availability of camping and recreational facilities, and one-third were most satisfied with the quality and performance of their RV (see Chart 3.17). The quality of dealer maintenance and repair services was mentioned the least often as the area owners were most satisfied, by just 3%. Purchasing new rather than a used RV did not have a significant impact on these ratings. Owners of motorhomes were less likely to be most satisfied with their RV (23%) and somewhat more satisfied with dealer services (8%).

Dealer maintenance and repair services were most likely to be the least satisfying of the three areas for most RV owners, cited by 50% of all owners, regardless of whether they purchased the unit new or used or the type of RV they purchased. This is not so surprising since of the three areas, seeking out a dealer for repair work essentially represents a negative experience with the RV as well as added costs. More interesting was that recreational facilities were more often rated worse than the performance of the RV (29% versus 21%), again indicating the importance of frequent use to motivate repeat buying.

CHART 3.17: SATISFACTION WITH RV, DEALER AND RECREATIONAL FACILITIES

	All RVs	Purchased New	Purchased Used	Type of RV Owned		
				Motor- home	Travel Trailer	Folding Camper
Most Satisfied with . . .						
Quality and performance of RV	32	30	34	23	33	33
Quality of dealer maintenance service	3	3	3	8	2	1
Quality & availability recreational facilities	65	67	63	69	65	66
Total	100%	100%	100%	100%	100%	100%
Most Dissatisfied with . . .						
Quality and performance of RV	21	24	18	20	22	20
Quality of dealer maintenance service	50	47	53	57	46	58
Quality & availability recreational facilities	29	29	29	23	32	22
Total	100%	100%	100%	100%	100%	100%

Planned RV Replacement Purchases

RV owners were asked whether they intended to replace their current RV with another RV sometime in the future, and if they did plan a replacement purchase, the type of RV they intended to buy (see Chart 3.18). About seven-in-ten owners planned a replacement purchase for their current RV. Conventional and fifth-wheel travel trailer owners were the most likely to intend to purchase another RV of the same type (54%), closely followed by motorhome owners (47%). The least likely to purchase another RV of the same type were owners of folding campers (23%). Importantly, however, owners of folding campers were the most likely to shift to either a conventional or fifth-wheel travel trailer (23%) or a motorhome (20%). The widespread intentions to upgrade to a larger RV is what makes the folding camping trailer an entry RV. The shift between motorhomes and travel trailers was much smaller: 14% of current motorhome owners plan to switch to a conventional or fifth-wheel travel trailer, and 12% of current travel trailer owners plan to switch to a motorhome. Note that since there are twice as many owners of conventional and fifth-wheel trailers as motorhomes, the shift to motorhomes from trailers is much bigger in absolute numbers than the shift from motorhomes to trailers. Overall, the data indicate that motorhome owners and owners of travel trailers have distinctive preferences in RVs.

CHART 3.18: PLANNED RV REPLACEMENT PURCHASES BY CURRENT TYPE OF RV OWNED

	Current RV Ownership			
	Motorhome	Travel Trailer	Folding Camper	Truck Camper
Planned Replacement RV				
Motorhome	47	12	20	8
Travel Trailer	14	54	23	28
Folding Camper	2	1	23	5
Truck Camper	7	3	2	33
Will not replace RV in future	30	30	32	26
Total	100%	100%	100%	100%

Owners Who Do Not Plan to Replace Their Current RV

Although over two-thirds of all current RV owners intend to purchase another RV to replace their current unit, 30% do not plan to replace their current RV. These owners were asked to explain why they did not plan to replace their current RV. The reasons represent three broad areas: economic considerations, family and health reasons, and changes in leisure time preferences (see Chart 3.19). Economic reasons were specifically cited by 55% of all owners, split between references to the cost of ownership (20%) as well as the need to use the money invested in their RV unit for other purposes (35%), which may reflect the impact of the economic downturn on family budgets. There was also a judgement about the economic value of the purchase; these judgements are more favorable the more the RV is used. Unfortunately, 41% of all current owners said that the amount of time they used their RV simply did not justify its cost. The lack of use was primarily caused by busy family work and school schedules, but was nonetheless evaluated in terms of value for the dollar that the RV provided. Family and health reasons were cited by 37% of those that did not intend to replace their RV with another. Family reasons were mainly due to the timing of retirement or the presence or ages of children; health reasons had to do with advancing age, disabilities, or the death of a spouse. Finally, 38% mentioned that their leisure preferences had changed. These reasons were remarkably consistent across the types of RVs they owned, except for folding camping trailers.

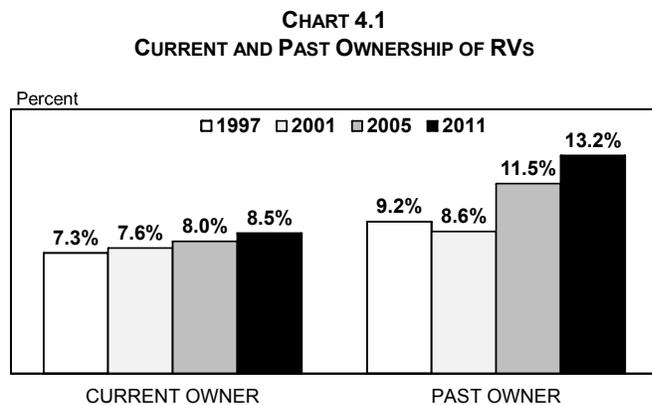
CHART 3.19: MAJOR REASONS FOR NOT REPLACING CURRENT RV

	All RVs	Type of RV Currently Own		
		Motorhome	Travel Trailer	Folding Camper
Did not use; lack of time to use RV	41%	41%	42%	41%
Economic Reasons	55%	57%	50%	66%
Cost of ownership	20	34	15	22
Need money for other uses	35	23	35	44
Family and Health Reasons	37%	34%	44%	23%
Retirement, ages of children, divorce, etc.	15	13	19	8
Advancing age, death of spouse, disability, etc.	22	21	25	15
Leisure Preferences	38%	42%	32%	47%
Prefer other leisure activities	30	30	26	42
Lack of access to recreational facilities	8	12	6	5

4. Prior Ownership of RVs

Past Ownership of RVs

Despite the fact that the appeal of the RV lifestyle persists throughout people's lives, there is a considerable degree of turnover in the ownership of RVs. The data continued to indicate that the ownership of RVs is intermittent for a significant portion of the market. Households that did not currently own an RV were asked if they had ever owned one previously that they had sold. Among all households in the 2011 survey, 13.2% reported that they had once owned an RV compared with



the 8.5% that currently own an RV (see Chart 4.1). Overall, the data indicate that the RV lifestyle has considerable appeal given that a total of 21.7% of the population had owned or currently owns an RV. Some of the turnover in ownership reflects the expected life-cycle changes in family situations, with some representing an expected pattern of temporary exit before reentry.

Over the past decade, the proportion of households that had owned and sold an RV has grown significantly, rising from 8.6% in 2001 to 11.5% in 2005 and 13.2% in 2011. The rising proportion of both current and past owners indicates a higher level of entries and exits. The data will show that prior owners are disproportionately older, have lower incomes, and are more frequently living in single adult households; this pattern reflects the typical exit of RV owners that occurs as RV owners age or a spouse dies.

Demographic Characteristics of Former Owners

The demographic distributions of current and past RV owners reflect the combination of both the normal turnover as well as the permanent exit from the RV market by older consumers. As shown in Chart 4.2, the incidence of former owners increases substantially as age increases whereas the incidence of owning an RV declines at older ages. The exit of the youngest former owners reflects the

Chart 4.2
CURRENT AND FORMER RV OWNERS BY AGE

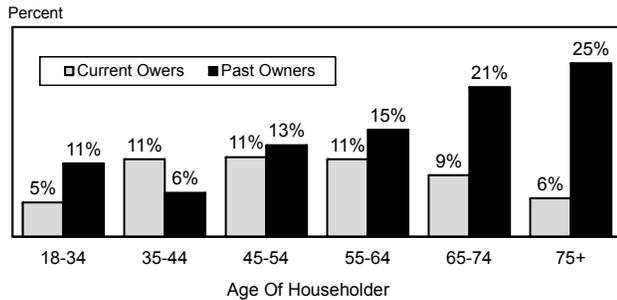
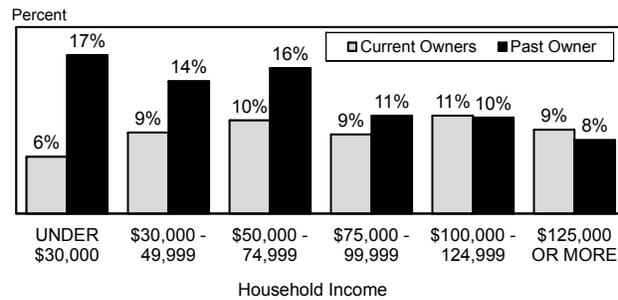


CHART 4.3
CURRENT AND FORMER RV OWNERS BY INCOME

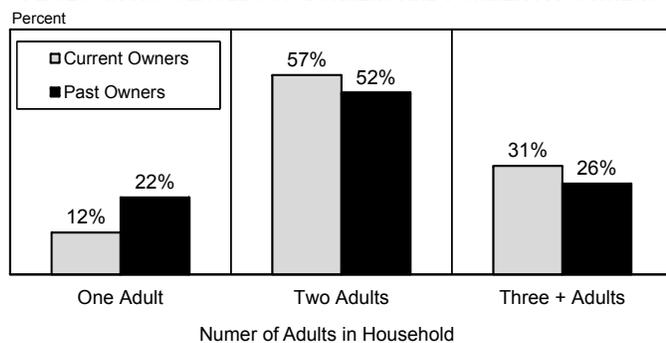


harsh impact of the recent recession, and unlike the oldest consumers, they have a high probability of re-entering the RV market in the future. Interestingly, the proportion of former owners exceeds the proportion of current owners after age 45. The much higher levels of former owners recorded after age 65 are more likely to represent permanent dropouts. Chart 4.2 captures the essential challenge facing the RV industry as the bulk of the baby boom population will reach these ages in the decade ahead.

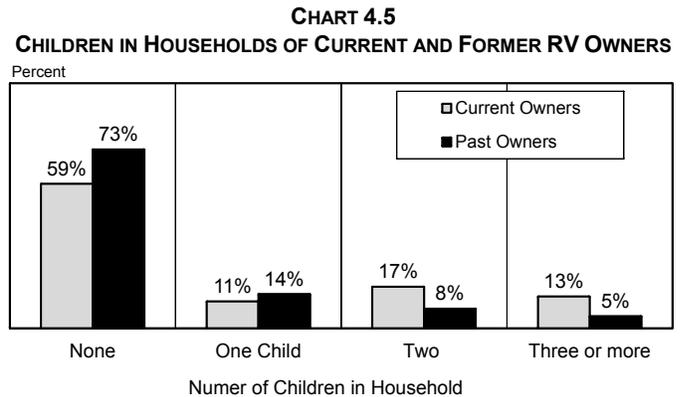
Former owners are also much more common at lower income levels, with the proportion falling as income increases (see Chart 4.3). It should be noted, however, that at the time these households owned an RV, their income was likely to have been higher. Only for upper middle incomes are households more likely to be current rather than former owners of RVs.

The majority of current and former RV owners lived in households with just two adults (with persons over age 18 counted as adults). Given that current owners were more likely to be married, it is no surprise that they also were more likely to live in households with two or more adults, which accounted for two-thirds of current owners (see Chart 4.4). Former owners were twice as likely to live in one adult households than current owners (22% versus 12%). The greater likelihood of former owners living in one-adult households was the same in the 2005 survey. Current owners were three times as likely to live in households with three or more adults than just one adult (31% versus 12%).

CHART 4.4
ADULTS IN HOUSEHOLDS OF CURRENT AND FORMER RV OWNERS

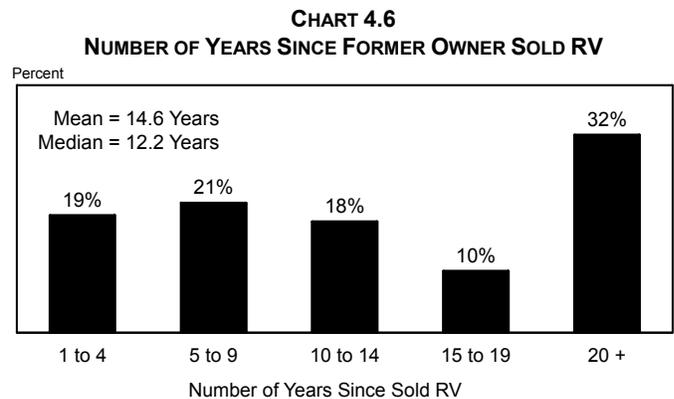


Although the majority of current and former RV owners had no children under age 18 still living at home, current RV owners were more likely to still have children at home than former owners (41% versus 27%). Moreover, current owners had more children living at home than former owners (30% had two or more versus 13% among former owners). To be sure, when former owners did own an RV their family size may have been as large as current owners. However, it should not be overlooked that owners without children at home may still use their RV for travel and recreation purposes that involve their adult children or grandchildren.



Length of Non-Ownership

While two-in-five former owners sold their RV within the past ten years, one-in-three sold their RV twenty or more years ago (see Chart 4.6). Perhaps more importantly, one-in-five sold their RV within the past four years, indicating a substantial amount of recent turnover. The high recent turnover cannot be solely attributed to the economic downturn since fewer consumers sold their RV within the prior four years in the 2011 survey than in 2005 (19% versus 21%). Nonetheless, the median number of years since they sold their RV was higher, rising to 12.2 in 2011 from 10.8 in 2005, an increase of 1.4 years. This suggests that some former owners that could have been expected to re-enter the market failed to do so. This emphasizes the two sides to RV turnover: it was not that more owners dropped out in recent years, it was that fewer former owners re-entered the market. As will be documented, past owners are much more likely to purchase another RV than consumers who have never owned an RV in the past. While not all dropouts can be converted to active RV ownership, former owners who are younger and have higher incomes represent a prime group for the overall expansion of the market.



Reasons Given for Selling RV

Past owners were asked to describe why they sold their RV. In response, the most common reasons were split nearly equally between four general factors: family and health reasons (36%), economic reasons (32%), lack of time to use the RV (30%), and changing leisure preferences (28%). Family reasons generally meant some transition, such as the presence and ages of children and grandchildren that made RV travel less appealing, a divorce that required the sale of an RV, or other major changes in a family’s life cycle. These normal transitions were mentioned more frequently than health reasons (22% versus 14%), and presumably subsequent family transitions could make them more likely to purchase an RV again. Owners who sold their RV due to advancing age, disability, or the death of a spouse, however, are unlikely to purchase another RV. Interestingly, the overall frequency of family and health reasons did not vary by whether they had owned a motorhome, a travel trailer, or a folding camping trailer, but the composition of those reasons did vary (see Chart 4.7). Past owners of folding campers were more likely to report family transitions as the reason for selling their RV, and motorhome owners were less likely to do so. In contrast, motorhome owners were somewhat more likely to report health, advancing age or the death of a spouse than folding camper owners.

CHART 4.7: MAJOR REASONS FOR THE SALE OF RV

	All RVs	Type of RV Owned in Past		
		Motor-home	Travel Trailer	Folding Camper
Did not use; lack of time to use RV	30%	24%	33%	42%
Economic Reasons	32%	33%	31%	32%
Cost of ownership	10	15	6	6
Need money for other uses	22	18	25	26
Family and Health Reasons	36%	36%	38%	37%
Retirement, ages of children, divorce, etc.	22	19	23	28
Advancing age, death of spouse, disability, etc.	14	17	15	9
Leisure Preferences	28%	28%	30%	24%
Prefer other leisure activities	21	21	21	17
Lack of access to recreational facilities	7	7	9	7

Economic reasons mainly involved decisions about the most important uses of family budgets. It is not surprising that given the recent economic downturn, 22% of all former owners mentioned that they had needed the money invested in an RV for other purposes. The cost of ownership, mainly costs other than the purchase or capital expense, was cited by just 10% of past owners as the reason for the sale of their RV. While overall references to economic reasons did not vary by the type of RV they had owned, the cost of ownership was cited more frequently by motorhome owners and the need to use the money invested in their RV in other ways was cited more by trailer owners (see Chart 4.7).

Not using their RV, mostly for lack of time, was more frequently mentioned as a reason for the sale by folding camper owners (42%) than owners of conventional or fifth-wheel travel trailers (33%) or motorhome owners (24%). Presumably the more money that is spent on an RV, the more committed the owners would be to its use. Also note that it could be expected that non-use as a reason to sell would be higher with entry vehicles as families test the strength of their preferences for the RV lifestyle. Folding camping trailers certainly fit this description.

Preferences for leisure activities other than RV'ing as a reason to sell was mentioned three times as frequent as the lack of access to recreational facilities at which to use an RV (21% versus 7%). Some families prefer variety in the leisure time pursuits, purchasing and selling RVs as their interests change. While some may be a one-time RV owner, many return to RVs at a later date. Lack of access to recreational facilities, while relatively rare as a reason to sell an RV, was typically mentioned due to the perceived absence of facilities within a reasonable drive from their current residence. Such perceptions can be changed by more effective promotion by a broad array of facilities.

5. RV Purchase Intentions

Assessing Market Potential

To assess the potential for future RV sales, all households in the 2011 survey were asked about whether they planned to purchase an RV in the future, whether the RV would be purchased new or used, and when they intended on making the purchase. The likelihood of a future purchase varied significantly by whether the household currently owned an RV, whether they had owned an RV in the past but not currently, or whether they had never owned an RV. The strong appeal of the RV lifestyle was reflected in the widespread intention of current owners to purchase another RV. Significant numbers of past owners also expressed their intentions to reenter the market. Although households that have never owned an RV were the least likely to express purchase intentions, it is this subgroup that can have the biggest impact on the size of the potential future market.

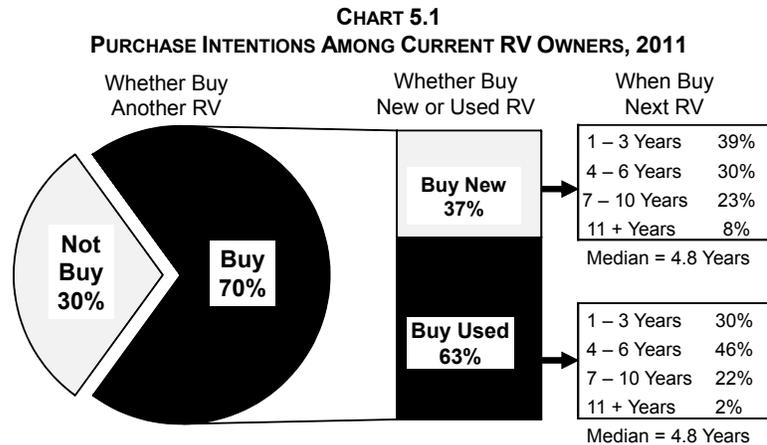
In assessing the overall market potential, there are several crucial factors to take into account. First, the size of the subgroup must be considered along with the proportion of the subgroup that intends to purchase. Current and former owners are about as numerous, together amounting to about 20% of all households, while the number of households that have never owned an RV is by far the largest, accounting for about 80% of all households. As a result, when the purchase intentions data are summed across all three groups to represent “all households,” the data are most heavily weighted by the “never owned” subgroup since they account for the majority of all consumers.

Second, when assessing the purchase intentions across all households it is important to recognize that the three groups differ markedly in their demonstrated commitment to RV ownership, and thus the likelihood that they will actually make the purchase. Accordingly, more weight must be given to current owners, followed by prior owners, and far less to the expressed intentions of the “never owned” subgroup.

Third, in assessing the potential of these purchase intentions, consideration must be given to both aspects of the expressed purchase plan: whether it would be a new or used RV, and the timing of the expected purchase. The purpose of these questions was to both gauge the sales potential during the next few years, as well as to estimate the potential extent of interest in future RV ownership.

Purchase Intentions Among Current RV Owners

Seven-in-ten current RV owners in the 2011 survey expected to purchase another RV to replace their current unit (see Chart 5.1). Among current owners that intended a replacement purchase, one-third expected to purchase a new RV, while two-thirds planned to purchase a used RV. Among current owners that planned to purchase a new replacement RV, 39% expected to make the purchase within the next three years, compared with 30% of those that planned to buy a used RV within that same time frame. Overall, the typical RV owner planned to make a replacement purchase in 4.8 years, regardless of whether they planned a new or used purchase.



To compare the results of the 2011 survey with the 2001 and 2005 purchase intention data, the proportions of current owners that intended to purchase another RV was multiplied by the proportion that expected to purchase a new or used RV. This was necessary to control for net impact of changes in both percentages. For example, the purchase of another RV by current owners was higher in 2011 than in 2005 (70% versus 64%) and the proportion that expected to purchase a new RV was also higher in 2011 (37% versus 32%). Taking account of both factors, the overall proportion of current owners that planned another new purchase was substantially higher in 2011—25.7% compared with 20.5% in 2005 and 23.7% in 2001, as shown in Chart 5.2. Planned purchases of a used RV were only slightly higher in 2011 than in 2005—44.0% versus 43.5%. Planned purchased of either new or used RVs by current owners were at the highest level recorded since these questions were first asked in 1997. While this probably reflects a longer trade-in cycle due to the Great Recession, it does have favorable implications for future sales.

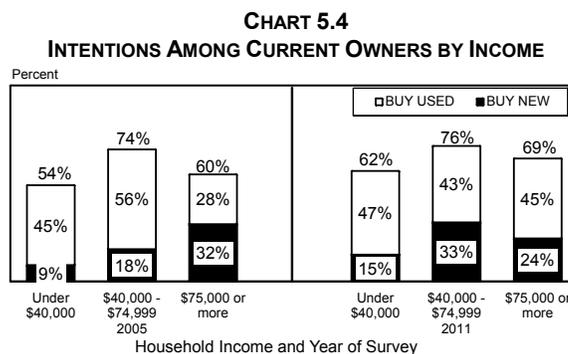
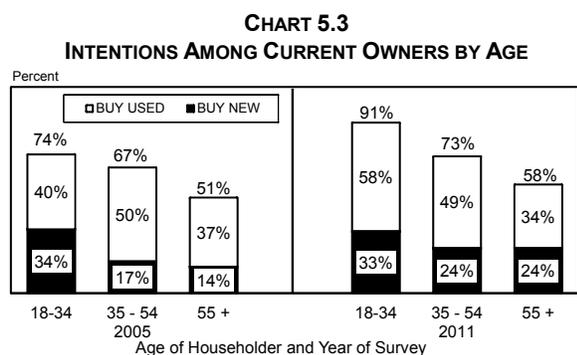
CHART 5.2
PURCHASE INTENTIONS AMONG CURRENT RV OWNERS

	Buy New RV			Buy Used RV		
	2001	2005	2011	2001	2005	2011
Buy New/Used	23.7%	20.5%	25.7%	35.4%	43.5%	44.0%
In 1-3 Years	5.7%	11.7%	9.9%	18.8%	19.1%	13.1%
In 4-6 Years	10.9%	3.7%	7.7%	12.0%	12.2%	18.9%
In 7-10 Years	4.0%	4.3%	6.2%	2.8%	11.8%	10.0%
In 11+ Years	3.1%	0.8%	1.9%	1.8%	0.4%	2.0%
Median Years	5.3	3.1	4.8	3.3	4.9	4.8

While the 2011 data indicated that more current owners planned to purchase a new RV than in 2005, these owners were more likely to delay that purchase longer in the 2011 survey than in 2005. Overall, 9.9% planned a new RV purchase during the next three years in the 2011 survey, somewhat below the 11.7% recorded in 2005 but well above the 5.7% recorded in 2001. The typical purchase of a new RV was planned to take place in 4.8 years in the 2011 survey, well above the 3.1 years recorded in 2005, but just below the 5.3 years recorded in 2001. Even given the planned delays in their replacement purchases, the underlying strength and appeal of the RV lifestyle is reflected by the higher proportion of owners that planned new purchases in 2011 compared to 2005 or 2001.

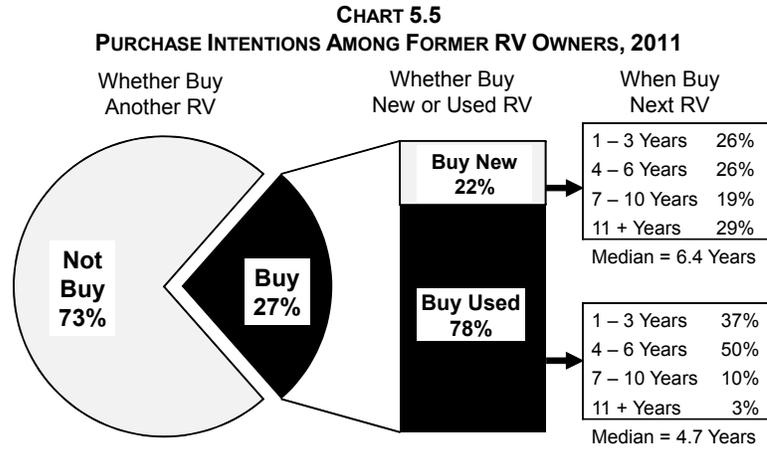
Just the opposite trend was observed for planned purchases of used RVs: the typical purchase was planned to take place in 4.8 years in the 2011 survey, just below the 4.9 years in 2005. To be sure, fewer owners planned a used purchase in the next three years, falling to just 13.1% in 2011 from 19.1% in 2005 and 18.8% in 2001. Most of the shift was toward making the used RV replacement purchase in 4 to 6 years, reported by 18.9% in 2011, which was up from 12.2% in 2005.

Overall purchase intentions among current RV owners declined with age in both the 2005 and 2011 surveys—see Chart 5.3. Importantly, more frequent purchase plans were reported by all age groups in 2011 than 2005. The largest change in the age distribution of planned purchases was that in 2011 significantly more householders aged 55 and older planned to purchase another new RV, rising to 24% in 2011 from 14% in 2005. In contrast, there was no change in new replacement purchases among the youngest age group. New replacement purchases were more frequently planned in 2011 than in 2005 among middle income households (33% versus 18%), but planned new purchases fell among higher income households (32% versus 24%). The opposite shifts occurred for used replacement purchases, which rose among high income households (45% versus 28%) and fell among middle income households (43% versus 56%). Overall, for all three income groups, the total that planned a replacement purchase was higher in 2011 than in 2005.



Purchase Intentions Among Former RV Owners

Among former RV owners, just over one-in-four intended to purchase another RV in the future (see Chart 5.5). Of those former owners that intended to purchase another RV, 22% intended a new purchase. Used RVs were expected to be purchased by nearly four-in-five former owners. Planned purchases of new RVs were anticipated to be made later than used RVs: 26% of planned purchases of new RVs were expected in the next three years but 37% of used RV purchases were expected to be made in that same time frame. Overall, 87% of planned used purchases and 52% of new purchases were expected to be made within the next 6 years. The data continue to indicate that among those that do not currently own an RV, former owners are the best prospects to re-enter the RV market.



A full comparison of the data on purchase intentions indicate that fewer former owners intended to purchase new and used RV's in 2011 than in the 2005 or the 2001 survey (see Chart 5.6). In 2011, 6.1% of former owners planned to purchase a new RV, down from 8.5% in 2005 and 7.4% in 2001. Three times as many former owners planned a used purchase in 2011, although compared with prior years, used RV purchase intentions fell in 2011 to 20.7% from 25.5% in 2005 and 23.5% in 2001. Nonetheless, more than one-in-four former owners intend to purchase another RV in the future. The same lengthening in the timing of planned purchases that was recorded for current owners was present for former owners as well. The proportion of former owners that expected to make a new purchase in the next three years fell to 1.6% in 2011, half the 3.2% recorded in 2005. Among potential used RV buyers, the drop was to 7.5% from 10.2%. Overall, despite the fact that most households had not recovered from the Great Recession when the 2011 data

CHART 5.6
PURCHASE INTENTIONS AMONG FORMER RV OWNERS

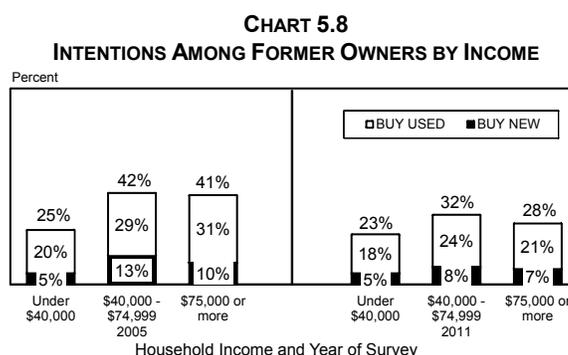
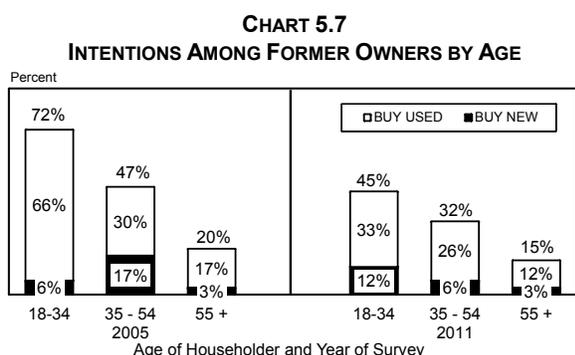
	Buy New RV			Buy Used RV		
	2001	2005	2011	2001	2005	2011
Buy New/Used	7.4%	8.5%	6.1%	23.5%	25.5%	20.7%
In 1-3 Years	2.1%	3.2%	1.6%	13.9%	10.2%	7.5%
In 4-6 Years	1.3%	2.7%	1.6%	7.3%	8.2%	9.8%
In 7-10 Years	2.0%	1.6%	1.1%	1.4%	4.3%	2.9%
In 11+ Years	2.0%	1.0%	1.8%	0.9%	2.8%	0.5%
Median Years	7.6	4.9	6.4	3.2	4.7	4.7

were collected, the survey recorded substantial numbers of former owners that want to return to the RV market.

The timing of planned RV purchases among former owners showed the same pattern as among current owners: a significant lengthening of the time before a new purchase would be made, but no change in the timing of used purchases. The typical new purchase by former owners was planned to take place in 6.4 years in the 2011 survey, up from 4.9 years in 2005. In contrast, used purchases among former owners were typically planned to take place in 4.7 years in both 2005 and 2011.

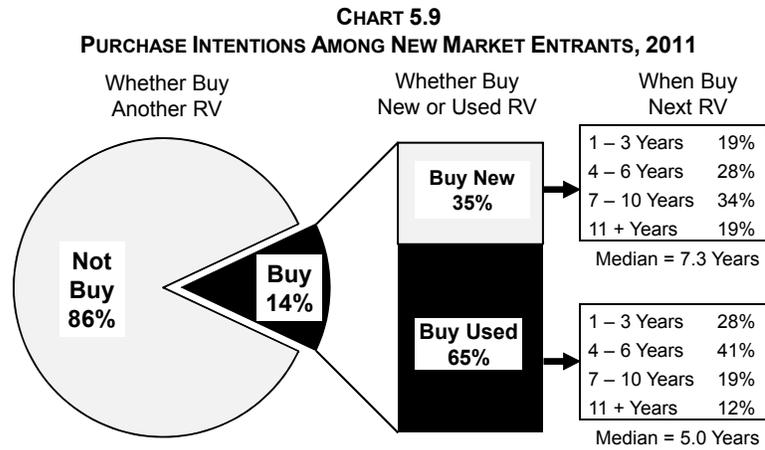
Overall purchase intentions among former RV owners declined with age in both the 2011 and 2005 surveys—see Chart 5.7. A large part of the decline in overall purchase plans from 2005 was among the youngest former owners, falling from 72% to 45% in 2011. It was this age group that was most affected by declines in employment conditions during the Great Recession. Declines were also recorded among middle aged former owners, with overall purchase plans falling to 32% in 2011 from 47% in 2005, with plans to buy a new RV falling to just 6% from 17% in 2005. The oldest former owners were the least likely to report plans to purchase another RV largely because of their age and limited abilities. Nonetheless, purchase intentions of former owners did fall to 15% in 2011 from 20% in 2005.

Very small differences existed in purchase plans among former RV owners by income—see Chart 5.8. The disappearance of the 2005 income difference was caused by the reduction in purchase plans among higher income former owners. Although 28% of former owners in the highest income group planned to purchase another RV in 2011, this was well below the 41% recorded in 2005, with most of the decline in plans to purchase used RVs. Repurchase plans among middle income former owners fell by 10 percentage points, to a still healthy 32% in 2011.



Purchase Intentions Among New Market Entrants

Among households in the 2011 survey that have never owned an RV, 14% expressed an interest in the purchase of an RV in the future, between the 18% in 2005 and the 11% recorded in 2001 (see Chart 5.9). The persistence of purchase plans at high levels among first time buyers in 2011 indicates the success of activities to expand the RV market. Interestingly, 35% of those that never owned an RV before expected to purchase a new RV, nearly equal to the incidence reported by current owners (37%) and well above the preferences expressed by former owners (22%). The planned timing of new purchases, however, was much further into the future for new market entrants—7.3 years versus 4.8 for current owners and 6.4 for former owners. The timing of planned purchases of used RVs among new market entrants was 5.0 years, not much longer than the planned 4.8 years for current owners and 4.7 for former owners.



A more complete comparison of the 2011 data with the prior surveys indicate a softening in purchase intentions among new market entrants. New RV purchases were intended by 4.9% of new market entrants in 2011, down from 6.3% in 2005, but still above the 3.5% in 2001 (see Chart 5.10). Intentions to purchase used RVs were reported by 9.1% of new entrants in 2011, between the 11.7% in 2005 and the 7.5% in 2001. Importantly, the largest declines among new entrants was for more planned purchases far in the future. New RV purchases planned within six years only fell by 0.5 percentage points, about half the decline of 0.9 percentage points in plans for purchases more than six years in the future. The same was true for planned used RV purchases: of the total decline of 2.6 percentage points, 2.3 percentage points was for planned purchases more than six years into the future. Needless to say, such long-range purchase plans are

CHART 5.10
PURCHASE INTENTIONS AMONG NEW MARKET ENTRANTS

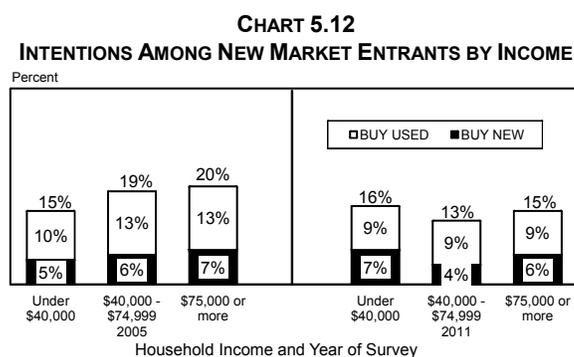
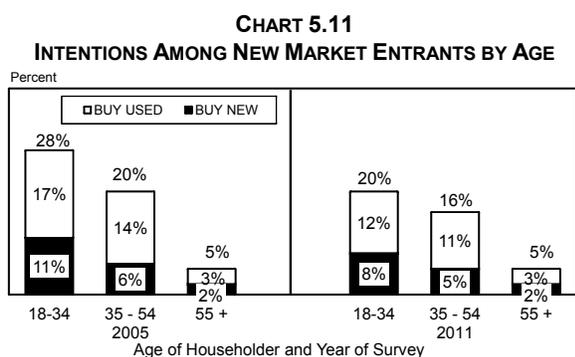
	Buy New RV			Buy Used RV		
	2001	2005	2011	2001	2005	2011
Buy New/Used	3.5%	6.3%	4.9%	7.5%	11.7%	9.1%
In 1-3 Years	1.0%	1.4%	1.0%	2.6%	2.9%	2.6%
In 4-6 Years	0.8%	1.5%	1.4%	2.2%	3.6%	3.6%
In 7-10 Years	0.6%	1.6%	1.6%	1.3%	3.1%	1.8%
In 11+ Years	1.1%	1.8%	0.9%	1.4%	2.1%	1.1%
Median Years	5.5	7.8	7.3	5.0	5.3	5.0

quite vulnerable to change.

Overall, these results for first time buyers hold great promise for the RV market even if only a small share of these potential buyers actually purchase an RV. Given the rise in fuel prices when these data were collected as well as apprehensions about future economic conditions, the relatively high level of purchase intentions among first time buyers is indeed welcome.

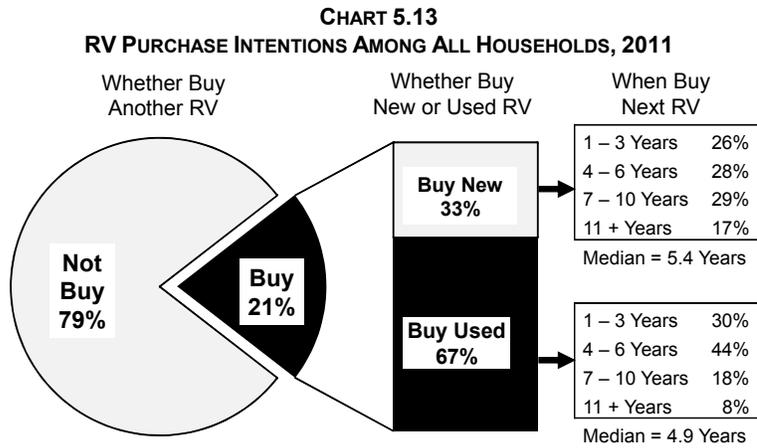
The data on the age and income distributions of purchase intentions among first time buyers indicate that planned purchases fell with advancing age and were rather unchanged across income groups (see Charts 5.11 and 5.12). Compared with prior surveys, the 2011 survey indicated a return toward the levels recorded in 2001 broadly spread across all age and income groups. Among those under age 35, the proportion of new market entrants was 20% in 2011, between 28% in 2005 and 17% in 2001. Among those aged 35 to 54, the proportion planning an RV purchase was 16%, between the 20% in 2005 and 12% in 2001. Few people over 55 who have never owned an RV planned to purchase one; this proportion remained unchanged at 5%. New purchases were planned more frequently by younger adults.

There was little change in purchase intentions across income groups in the 2011 survey as in the 2005 survey (see Chart 5.12). Among those who had never owned an RV and had incomes above \$75,000, 15% expressed an intention to purchase in 2011, down from 20% in 2005. Nearly all of the decline was in intentions to purchase a used RV as intentions to purchase new RVs fell by just one percentage point. Indeed, most of the variation between 2005 and 2011 for all income groups was in intentions to purchase used RVs, as new purchase intentions have remained largely unchanged.



Purchase Intentions Among All Households

When purchase intentions were summed up across all households, including current and former owners as well as new market entrants, 21% of all households in the 2011 survey expressed an intention to purchase an RV, between the 23% in 2005 and the 16% in 2001 (see Chart 5.13). One-third of those planning an RV purchase in 2011 expected to purchase a new RV. The typical new RV was expected to be purchased in 5.4 years. Planned purchases of used RV's accounted for two-thirds of the total, and the typical households planned the purchase to take place in 4.9 years.



A complete comparison of the data with the prior surveys indicate that purchase intentions across all households were somewhat lower in 2011 than in 2005 but still well above the levels recorded in 2001 (see Chart 5.14). Overall, the purchases of new RVs were planned by 7.0% of all households in 2011, slightly below the 7.6% in 2005 and well above the 5.3% in 2001. Planned used purchases showed a comparable pattern: not as favorable as in 2005 but substantially above the 2001 reading. Among all households, 13.7% in 2011 planned to purchase a used RV, between 15.4% in 2005 and 10.7% in 2001.

CHART 5.14
RV PURCHASE INTENTIONS AMONG ALL HOUSEHOLDS

	Buy New RV			Buy Used RV		
	2001	2005	2011	2001	2005	2011
Buy New/Used	5.3%	7.6%	7.0%	10.7%	15.4%	13.7%
In 1-3 Years	1.4%	2.4%	1.9%	4.6%	4.9%	4.2%
In 4-6 Years	1.6%	1.8%	2.0%	3.3%	4.8%	5.8%
In 7-10 Years	1.0%	1.8%	2.0%	1.4%	3.7%	2.7%
In 11+ Years	1.3%	1.6%	1.1%	1.4%	2.0%	1.0%
Median Years	5.3	5.2	5.4	4.6	5.1	4.9

Overall, the data indicate that preferences for the RV lifestyle have remained strong despite the worst economic downturn since the 1930's. The small dip still left RV purchase intentions more favorable than ten years ago. It should be noted that these calculations assume that the fulfillment of purchase intentions are equally likely among current and former owners as well as among first time buyers. Given that fulfillment rates are likely to be highest among current owners, second highest for

former owners, and lowest for first time buyers, the data would tend to overestimate the total number of actual purchases. Even with this caveat, the data indicates strong demand in the years ahead.

Importantly, current owners account for one-third of all planned purchases of new RVs in the 2011 survey, up from 21% in 2005 and equal to the 2001 reading (see Chart 5.15).

Among those who might be expected to have lower fulfillment rates, purchase intentions for new RVs accounted for a smaller amount of the total in 2011: former owners are expected to account

CHART 5.15
SHARES OF PURCHASE INTENTIONS BY MARKET SEGMENTS

Market Segments	Buy New RV			Buy Used RV		
	2001	2005	2011	2001	2005	2011
Current Owners	33%	21%	33%	25%	22%	28%
Former Owners	11%	13%	11%	17%	19%	20%
First Time Buyers	56%	66%	56%	58%	59%	52%
Total	100%	100%	100%	100%	100%	100%

for 11% of the new purchase plans in 2011, down from 13% in 2005 and the share for first time buyers fell to 56% from 66% in 2005. Interestingly, in all cases the 2011 figures were identical to the 2001 data for new purchases. The pattern was similar for used purchase intentions: a rise in the share accounted for by current owners and a decline among first time buyers. The overall share of used purchase intentions accounted for by current and former owners was the highest in more than ten years, and correspondingly, the share represented by new market entrants was the lowest. Nonetheless, the importance of new market entrants to the future of the industry is underscored by the fact that they account for more than half of all purchase intentions for both new and used RVs.

When summed across all market segments, the data indicate that nearly the entire 2011 decline was among the youngest households, those under 35, and the entire pullback in purchase intentions was among households with incomes above \$40,000 (see Charts 5.16 and 5.17). The 2011 data shows no significant relationship with income, for either new or used intended RV purchases, a finding that is not surprising for used but quite unusual for new purchases.

CHART 5.16
INTENTIONS AMONG ALL HOUSEHOLDS BY AGE

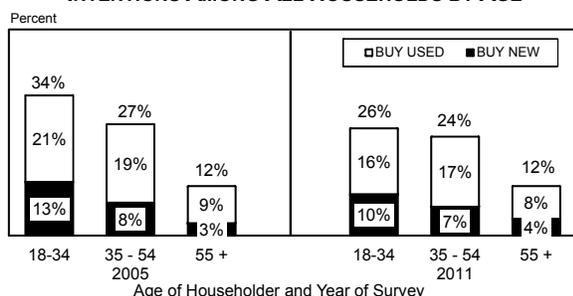
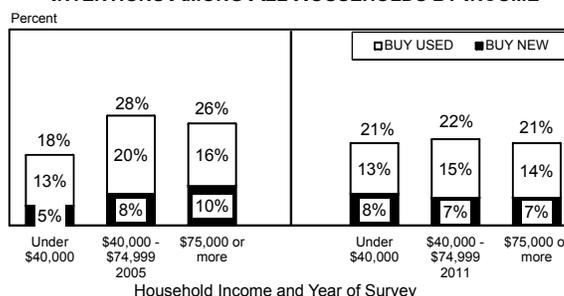


CHART 5.17
INTENTIONS AMONG ALL HOUSEHOLDS BY INCOME



Type of RV Intend To Purchase

The purchase intentions of current RV owners indicate a desired shift toward motorhomes and away from folding camping trailers (see Chart 5.18). The shift toward motorhomes was the largest: 31% of current owners planned to purchase a motorhome, up from 24% that currently own a motorhome. This shift toward motorhomes was not present in 2005. Although there would be a slight increase in the share of travel trailers if the purchase intentions among current owners were fulfilled, it would only amount to a 2 percentage point gain, from 54% to 56%. This data is consistent with the speculation that higher CAFE standards will result in household vehicles that are less capable of towing larger travel trailers.

The less experience the potential buyer had with the RV market, the more likely they preferred to purchase a motorhome, indicating a high aspiration that may not be fully realized at purchase. Among former owners, the share of purchase intentions for motorhomes was 44% and for new market entrants it was 55%. Note that both of these shares were lower in the 2011 survey than in 2005. In contrast, the shares for travel trailers for new market entrants rose by five percentage points since 2005 and for former owners the share fell by two points.

Perhaps the most surprising result was the rise in share of all purchase intentions accounted for by slide-in truck campers among current owners, former owners, and new market entrants.

CHART 5.18: TYPE OF RV INTEND TO PURCHASE

	Currently Owned RVs		RV Purchase Intentions							
			Current Owners		Former Owners		New Entrants		Total	
	2005	2011	2005	2011	2005	2011	2005	2011	2005	2011
Motorhome	24%	24%	21%	31%	52%	44%	61%	55%	51%	46%
Travel Trailer	52	54	65	56	42	40	23	28	35	38
Folding Camping Trailer	23	18	13	5	4	7	14	10	12	8
Slide-in Truck Camper	1	4	1	8	2	9	2	7	2	8
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Factors Influencing the Timing of RV Purchases

All households that intended to purchase an RV in the future were asked to identify which factors would influence the timing of their purchase. The financial ability of households was the most important factor for current owners, former owners and for first time buyers (see Chart 5.19). The widespread importance of finances includes not only wage trends but also changes in the value of their homes and financial assets. The cost and availability of RVs were more frequently mentioned by former owners as a crucial factor in influencing when they would next purchase an RV. Since a common reason given by former owners for the sale of their last RV was that they didn't use the vehicle enough to justify its costs, it should be no surprise that they are more sensitive to pricing. Discounted RVs, either new or used, are likely to have a strong appeal to former owners.

The timing of purchases of RVs are not simply about finances, however. Family related reasons were also a primary factor in determining the timing of RV purchases. The age of children and grandchildren, the timing of retirement as well as special family trips and activities were cited by nearly as many consumers as changes in their finances for having a decisive influence on when they would make the purchase. Retirement was cited by one-in-four current owners as a determinant of their next purchase, and by one-in-five former owners and first time buyers. The presence and ages of children and grandchildren were cited by about one-in-eight as a factor in the timing of their purchase for current and former owners as well as first time buyers.

CHART 5.19: MAJOR FACTORS INFLUENCING THE TIMING OF RV PURCHASES

	Will Buy in Future		
	Current Owners	Former Owner	First Time Buyers
Financial Ability	52%	47%	59%
Vacation and recreation motivations	11%	9%	11%
When have more time to use	9%	8%	8%
Family related reasons	42%	38%	37%
Age of children, grandchildren	12	11	14
Retirement	26	19	20
Special family activities	4	8	3
Cost and availability of RV	7%	15%	7%
Condition of current RV	4%	-	-

Vacation and recreation motivations were cited by one-in-ten consumers. This rationale for the timing of RV purchases was closely related to family considerations, as many who cited these reasons did so to enjoy family togetherness. Nonetheless, these consumers cited the planned trip or vacation as the primary factor that would influence the timing of their purchase.

Factors Influencing the Selection of the Type of RV

Households that intended to purchase an RV in the future were asked why they would choose to purchase the RV they now intended instead of another type. The cost of the RV was most important for folding camping trailers, followed by travel trailers, and least important for those that intended to purchase motorhomes. The cost of the RV was mentioned by just under half of all those intending to purchase a folding camping trailer (see Chart 5.20 on the next page). One-quarter of those that intended to purchase a travel trailer cited the cost as the primary factor. In sharp contrast, just one-in-eight of all those that intended to purchase a motorhome cited the price as a major factor.

The most distinctive feature cited by motorhome buyers was the suitability of motorhomes for travel and quick getaways, mentioned by 31%. Fewer consumers who intended to purchase travel trailers or folding camping trailers mentioned this reason—just 8% of those who intended to purchase a travel trailer and 5% for folding campers. Moreover, that motorhomes were “drivable” was specifically cited as a determining factor by an additional 24% of those who intended to purchase a motorhome. Combined, 55% of those that intended to purchase a motorhome reported these distinctive advantages of motorhomes.

Amenities and features were cited by about one-third of all consumers that intended to purchase a motorhome or a conventional or fifth-wheel travel trailer. In contrast, for those that intended to purchase a folding camping trailer, the amenities and features were much less important, cited by just 8%. While interior room and layout were more frequently cited for motorhomes and travel trailers, the biggest difference was in the perceived convenience of the facilities included in these RVs.

Two related factors were strong in shaping the appeal of folding camping trailers: the length of the RV and the ease of storage. One-third of all those who intended to purchase of a folding camping trailer mentioned either size or storage concerns, four times the number that mentioned these same

factors among those that intended to purchase a motorhome or travel trailer.

The advantage of a conventional or fifth-wheel travel trailer compared with a motorhome was that once the owner was at the campsite, the separate tow vehicle could be used for local travel. This advantage was mentioned by 29% of those who intended a travel trailer purchase.

CHART 5.20: FACTORS INFLUENCING THE SELECTION OF THE TYPE OF RV TO PURCHASE

	Motor-home	Travel Trailer	Folding Camper
Cost	12%	25%	48%
Price; value for the dollar	6	12	32
Maintenance, operating costs	6	13	16
Vacation and Recreation Uses	37%	21%	17%
Specific activities (camping, hunting, fishing, hobbies)	3	10	11
Travel, getaways	31	8	5
Vacation home	3	3	1
Amenities and features	37%	32%	13%
Sleeping spaces	2	3	1
Interior room	6	7	1
Interior layout	8	8	6
Convenience of facilities	19	13	5
Other amenities and features	2	1	0
Vehicle characteristics	33%	44%	59%
Length, overall size	5	3	14
Weight	0	1	2
Road handling, safety	2	5	7
Towable, can use separate vehicle	-	29	13
Drivable, self contained unit	24	-	-
Setup required	1	1	1
Storage	1	5	22

6. The Importance of RV Features and Amenities

Most and Least Important RV Features

The financial constraints facing consumers may last an unusually long time and the competition for consumers' discretionary spending is likely to increase. Consumers want the same treasured experiences from the RV lifestyle, but given their constrained finances, will become more selective in the features and amenities of an RV so as to achieve the best value for the dollar. The RV boom years allowed manufacturers to add many additional features and amenities that consumers could afford at that time. What constitutes a more affordable RV that still offers the essential features and amenities? Do current owners view the essential features differently than former owners or first time buyers? Just as in the past, a vibrant and growing RV industry must change along with consumer preferences. Changing toward more feature laden units, however, is easier than cutting costs by economizing on some current features and amenities. As shown earlier, conventional travel trailers provided all additional amenities and features during the past decades without increasing the inflation-adjusted wholesale prices. With this track record, the necessary changes can clearly be accomplished. The only unknown is which manufacturers will be successful in developing these new RVs.

The challenges of adapting to consumers' reduced discretionary income that can be devoted to leisure time pursuits are not unique to the RV industry. Indeed, with shrinking discretionary incomes, the competition for the consumers' discretionary income will be even more intense from other industries in the decade ahead.

Consumers were asked two questions to assess which features and amenities they would be willing to give up in order to purchase a less expensive RV. First, consumers were asked to identify which RV features were most important to them in an RV. Following that question, consumers were asked to identify which features they were willing to economize on in order to purchase a less expensive RV. These questions were only asked of consumers who had already mentioned that they planned to purchase an RV in the future.

The features and amenities asked about were:

- Interior space
- Materials used in the furniture, cabinets, floors, and other living areas
- Entertainment and electronic devices
- Heating and cooling systems
- Road handling when driving or towing the RV
- Operating costs
- Ease of setting up the RV at the camp site
- Warranty and after market support

There was no attempt to determine, for example how much space was important to have or how many square feet consumers were willing to give up, nor exactly what entertainment and electronic devices they thought were essential and which were not needed. The goal of the questions was to identify broad areas of features and amenities that were thought to be essential and which were viewed as less essential or even unnecessary (see Chart 6.1). It should be noted that what RV features consumers are willing to give up could be viewed as just another way of asking about the importance of the various features.

Chart 6.1

**Most Important RV Features and Those Willing to Reduce for Less Expensive RV
Among Consumers Who Intend to Purchase an RV**

	Most Important	Willing to Reduce
Interior space	52%	18%
Ease of setup at camp site	52%	17%
Road handling when driving or towing RV	43%	12%
Heating and cooling systems	40%	6%
Materials used in furniture, cabinets, floors, etc.	36%	24%
Operating costs	32%	21%
Warranty and after market support	32%	25%
Entertainment and electronic devices	24%	58%

The two most important features for those who intended to purchase an RV were interior space and

ease of setting up the RV at the camp site or destination. Each was mentioned as most important by 52% of all RV purchase intenders. The dominating importance of interior space is reflected by the proliferation and popularity of slide-outs; the ease of setup being equally as important was somewhat surprising.

The next two most important features were road handling, selected by 43% and heating and cooling systems, selected by 40%. Note that when the question was phrased in the reverse, that is, which feature would RV'ers be willing to give up, just 6% mentioned heating and cooling and only 12% mentioned road handling. What were the most critical features? From the importance questions it was space and setup, and from the willingness to give up question, it was heating and cooling, and road handling. This reflects a central fact of product selection: some characteristics draw people to a certain product and some characteristics set a required minimum for consideration.

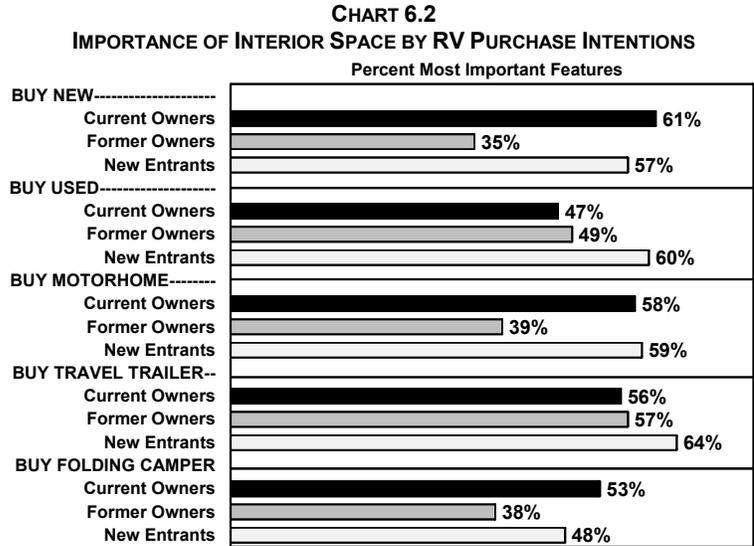
The materials used in the interior, operating costs and warranty were found important by one-in-three consumers, and economizing on these features for a less expensive RV found agreement by about one-in-four consumers. Variations in the materials used in furniture, cabinets, floors, and other living areas offer good opportunities for manufacturers to reduce construction costs.

Entertainment and electronic devices were reported as an important feature by 24%, the fewest for any feature, and 58% reported that they would be willing to economize on entertainment and electronic devices, the most for any of the features. It was not that RV'ers did not want such features, but given the rapid pace of change in technology and the long life of RVs, it made little sense to pay for these amenities that would soon be out of date. There is no expectation that the pace of advances in technology will slow in the future, therefore consumers were willing to give up these features.

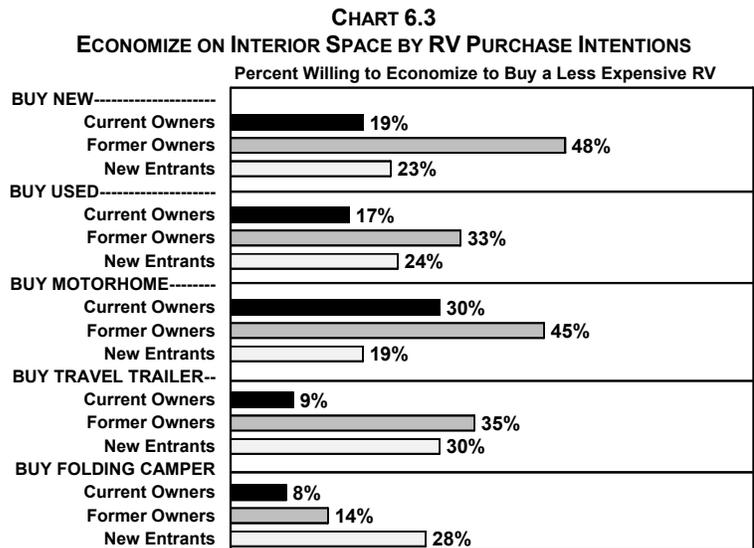
Features and amenities are inherently tied to the specific type of RV consumers intended to purchase. In the following pages, each of these features and amenities is considered separately for new and used buyers as well as for motorhomes, conventional and fifth-wheel travel trailers, and folding camping trailers.

Interior Space

Interior space was cited by current RV owners who planned a replacement purchase more frequently when they intended to purchase a new rather than used RV (see Chart 6.2). The majority of current RV owners cited interior space as the most important feature for purchases of any type of RV. The only exception was when a current RV owner planned to purchase a used unit. Former RV owners were generally the least likely to judge interior space as important, the only exception was when they planned to purchase a travel trailer. The majority of new market entrants emphasized the importance of interior space.



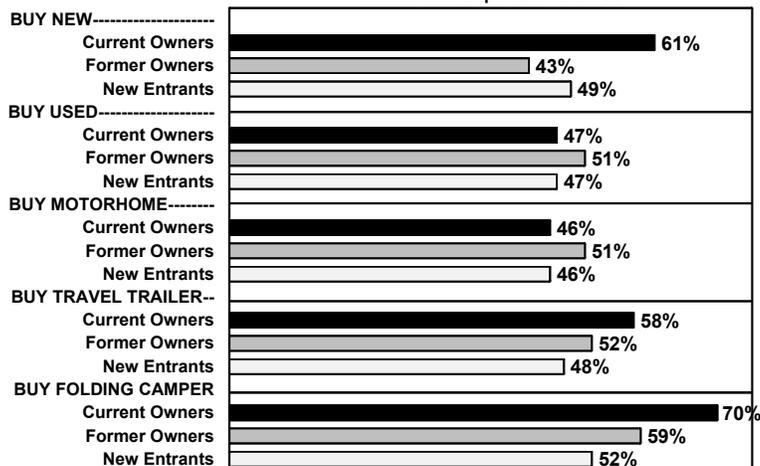
When asked which features they would willingly reduce in order to purchase a less expensive RV, interior space was most frequently mentioned by former RV owners, with folding campers the only exception (see Chart 6.3). Willingness to compromise on interior space was much lower among current RV owners and first time buyers. Interestingly, current RV owners were much more willing to compromise on interior space when they planned to purchase a motorhome than any type of trailer. In contrast, first time buyers were less willing to give up space on planned motorhome purchases than for any other type of RV.



Ease of Setup

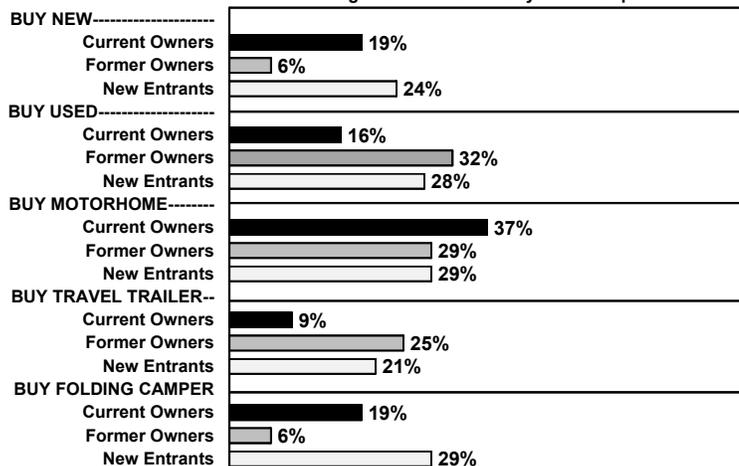
How easy the RV is to setup at the camp site or destination was more often judged a most important characteristic by current RV owners who intended to replace their units, especially for new purchases and for folding campers (see Chart 6.4). Although ease of setup was generally least important to buyers of motorhomes, nonetheless it was mentioned by nearly half of all buyers. For purchases of travel trailers and folding campers, ease of setup mattered most, and the more experience the RV'er had, the more it mattered—current owners rated it more important than former owners, who in turn, rated it more important than first time buyers.

CHART 6.4
IMPORTANCE OF EASE OF SETUP BY RV PURCHASE INTENTIONS
 Percent Most Important Features



Willingness to economize on the ease of setting up an RV at the camp site or destination was generally higher among first time buyers (see Chart 6.5). This probably reflects an underestimate of the task. Importantly, current owners were generally less willing to give up ease of setup than first time buyers. Insofar as the difficulty of setting up an RV is an impediment, especially for older RV'ers, the data suggest that making it easier would provide a positive addition. Current owners were most willing to economize on this feature when they intended to buy a motorhome and the least when they planned to purchase a conventional or fifth-wheel travel trailer.

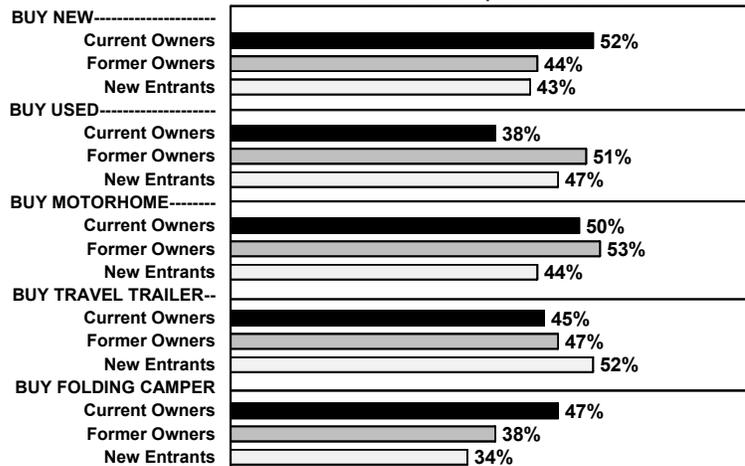
CHART 6.5
ECONOMIZE ON EASE OF SETUP BY RV PURCHASE INTENTIONS
 Percent Willing to Economize to Buy a Less Expensive RV



Road Handling

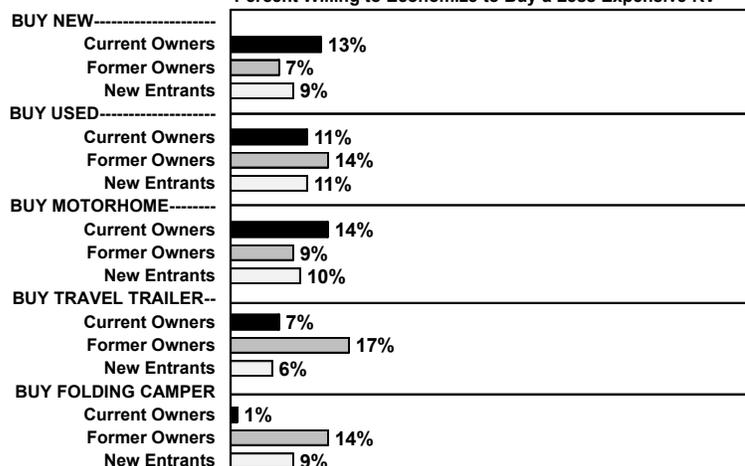
Road handling when driving or towing an RV was judged less important among current RV owners who intended a used RV purchase, although even for this group, one-in-three still judged it an important feature of the RV (see Chart 6.6). The only other group that judged road handling less frequently as an important feature was first time buyers of folding campers. Road handling appears to be an important characteristic that current owners desire in new purchases. Owners of new RVs may drive more over longer distances than others and so they placed a higher value on road handling. Overall, the differences between groups are relatively small in their appreciation of road handling.

CHART 6.6
IMPORTANCE OF ROAD HANDLING BY RV PURCHASE INTENTIONS
 Percent Most Important Features



The generally small proportion of RV buyers that are willing to economize on road handling in order to buy a less expensive RV attests to its importance. Overall, the small differences are not significant. Current owners are more willing to economize on road handling when they intend to buy a motorhome than a travel trailer or folding camper (see Chart 6.7). Former owners are more willing to give up some road handling for travel trailers and folding campers, but the difference is quite small. The small number of individuals willing to compromise road handling may reflect the limited proportion of RV users that only drive or tow their RVs over short distances or use the RV at a fixed site.

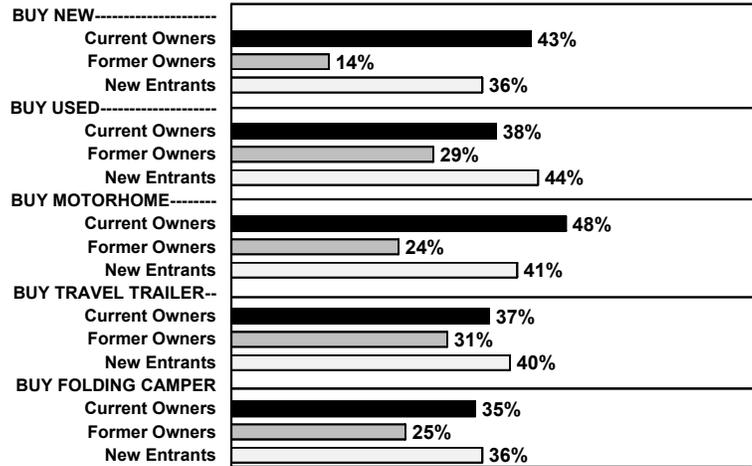
CHART 6.7
ECONOMIZE ON ROAD HANDLING BY RV PURCHASE INTENTIONS
 Percent Willing to Economize to Buy a Less Expensive RV



Heating and Cooling

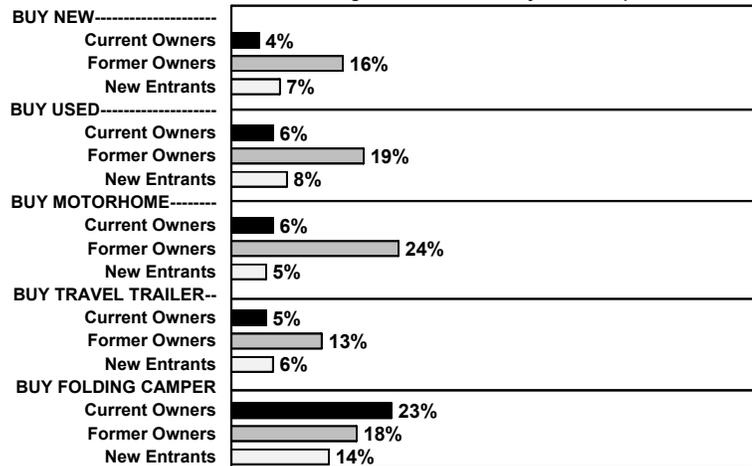
Heating and cooling systems were more frequently judged important by current RV owners who anticipated purchasing a replacement vehicle sometime in the future. This does not indicate dissatisfaction with the systems on their current RVs, only how important they judged this feature. Heating and cooling were judged more important for motorhome purchases than for any type of trailer by current RV owners (see Chart 6.8). In contrast, former RV owners were the least likely to judge heating and cooling systems as important. The importance of heating and cooling systems did not vary much across the type of RV they intended to purchase.

CHART 6.8
IMPORTANCE OF HEATING AND COOLING BY RV PURCHASE INTENTIONS
 Percent Most Important Features



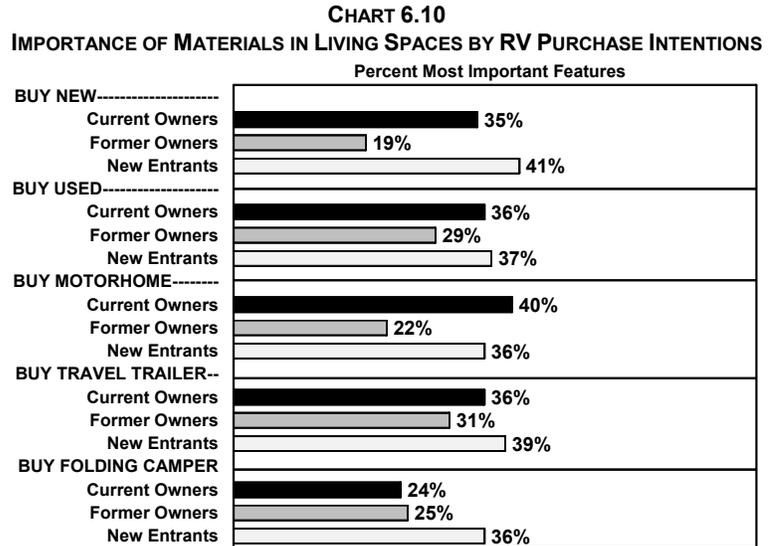
Willingness to economize on the heating and cooling systems installed in the RV that they intended to purchase was generally more frequent among former RV owners (see Chart 6.9). Former owners were more likely to compromise on heating and cooling systems when they intended to purchase a motorhome than any type of trailer. In contrast, first time buyers were generally the least likely to favor economizing on heating and cooling in order to purchase a less expensive RV. The willingness of former owners to compromise on heating and cooling systems did not significantly vary by the type of RV they intended to purchase. Note that current owners that intended to purchase a folding camping trailer in the future were more willing to economize on heating and cooling compared with current owners that intended to purchase another type of RV.

CHART 6.9
ECONOMIZE ON HEATING AND COOLING BY RV PURCHASE INTENTIONS
 Percent Willing to Economize to Buy a Less Expensive RV

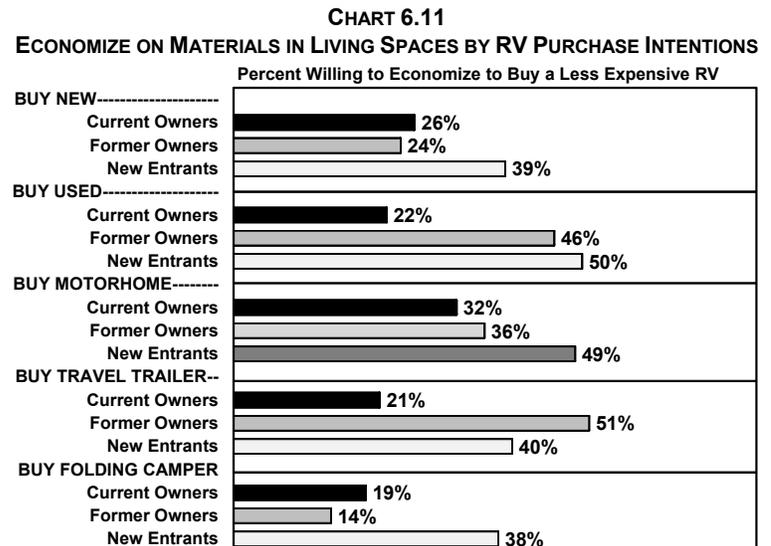


Materials Used in Interior

The importance of the materials used in furniture, cabinets, floors, and other living spaces was judged more important among current owners when they intended to buy a motorhome (40%) than a conventional or fifth-wheel travel trailer (36%) or a folding camper (24%). In contrast, there was little difference among first time buyers across the types of RVs they intended to purchase or whether they intended a new or used purchase (see Chart 6.10). Interestingly, former owners judged the materials used in living spaces less important when they intended to purchase a new RV than a used RV.



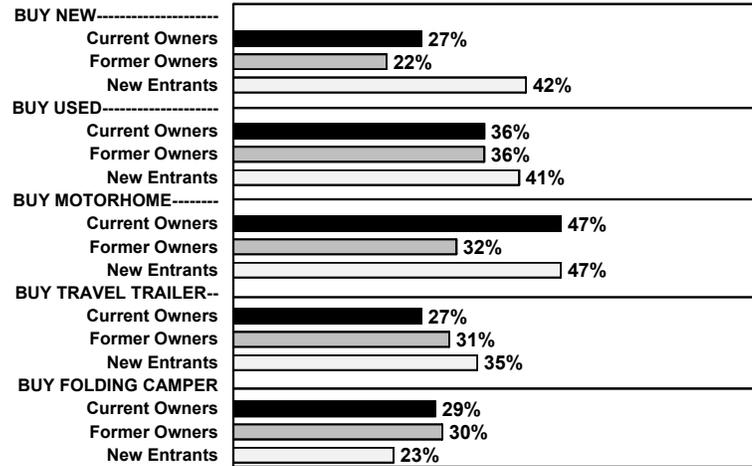
Willingness to economize on the materials used in the furniture, cabinets, floors and other living spaces was most frequent among first time buyers for purchases of new and used RVs as well as for motorhomes and folding campers. The only exception was that former owners who intended to purchase a conventional or fifth-wheel trailer were more willing to economize on the materials used in the interior (see Chart 6.11). Current owners, in contrast, were generally the least willing to compromise on the materials used in living spaces. Compared with first time buyers or former owners, current owners who intended to buy a used RV were much less willing to accept compromises on the materials.



Operating Costs

Operating costs are influenced by many design features, the fuel efficiency of the vehicle itself, and how energy is used for the operation of various life support systems. Since the questions were about what manufacturers could do to lower the purchase price, the operating costs excluded licences, insurance, camp site fees, and so forth. The importance of the included costs did not differ significantly across current owners, former owners and first time buyers, with a few exceptions (see Chart 6.12). First time buyers were more concerned about

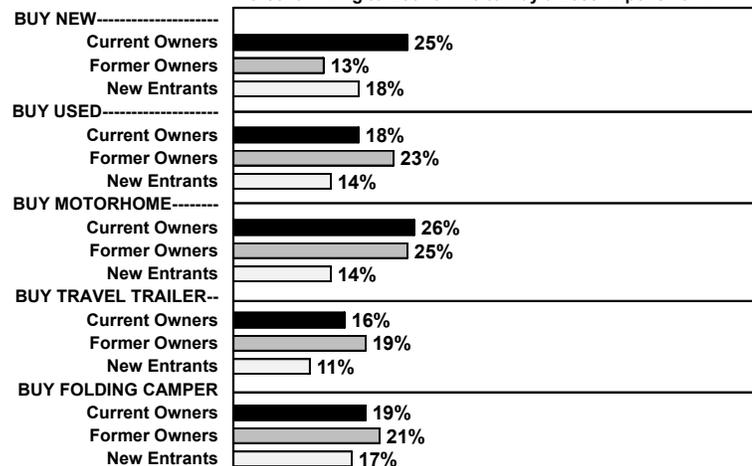
CHART 6.12
IMPORTANCE OF OPERATING COSTS BY RV PURCHASE INTENTIONS
 Percent Most Important Features



operating costs when they intended to purchase a new RV, and former owners were somewhat less concerned about these costs when they intended to purchase a motorhome.

Wanting to economize on operating costs to buy a less expensive RV may seem contrary since it is usually the case that there are trade-offs between the cost of the vehicle and operating costs—for example, more fuel efficient engines are generally more expensive. There are exceptions, like a smaller engine or lighter and less expensive materials, and so forth. Current and former RV owners, who know the operating costs best, were generally more likely to want RVs that had less expensive operating costs than first time buyers. Note, however, that the proportions were typically quite low, with the highest proportion just one-in-four that favored economizing. Nonetheless, with the rising cost of fuel, operating costs will become more important.

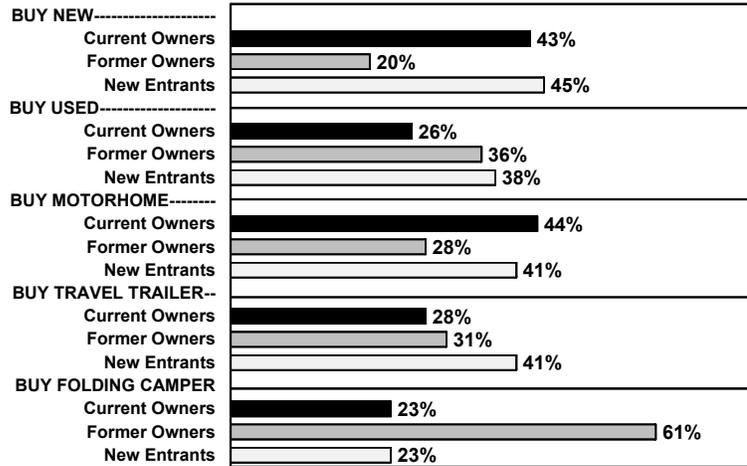
CHART 6.13
ECONOMIZE ON OPERATING COSTS BY RV PURCHASE INTENTIONS
 Percent Willing to Economize to Buy a Less Expensive RV



Warranty and After Market Support

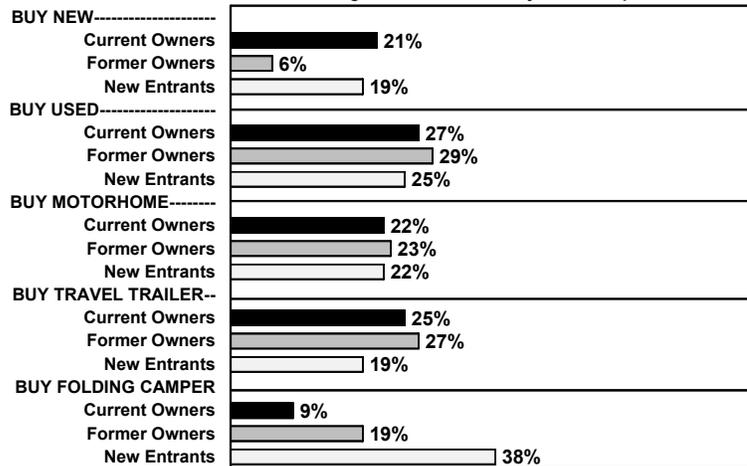
The importance of warranty and after market support was more likely to be judged important by current owners that intended to purchase their next RV new or anticipated buying a motorhome (see Chart 6.14). The other distinctive finding was the frequency with which former owners that anticipated buying a folding camper placed on warranty and after market support—three times higher than either current or former owners. Compared with either current owners or first time buyers, former owners were also distinct in that many fewer rated warranties as important when they intended to purchase either a new RV or a motorhome.

CHART 6.14
IMPORTANCE OF WARRANTY BY RV PURCHASE INTENTIONS
 Percent Most Important Features



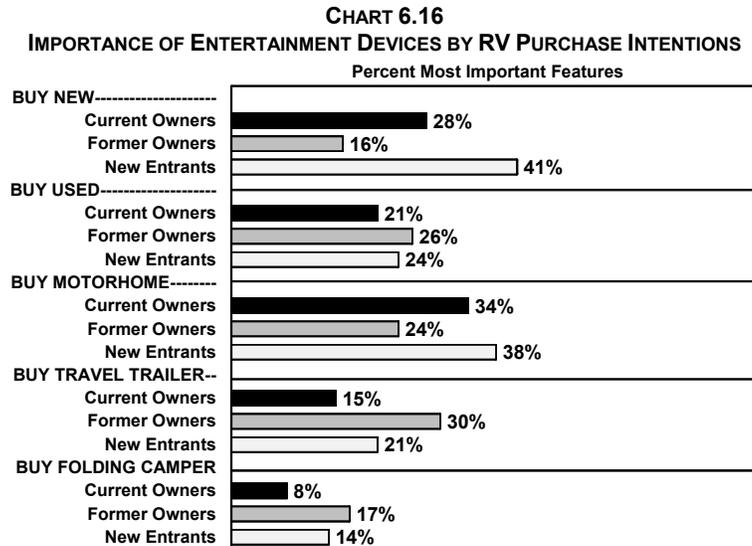
Willingness to compromise on warranties and after market support in order to purchase a less expensive RV did not vary much across current and former owners or first time buyers (see Chart 6.15). The major exception was for folding campers. New market entrants were twice as likely to give up warranty coverage compared with former owners, and four times as likely as current RV owners. This suggests that with ownership comes experiences that make owners less willing to give up warranties.

CHART 6.15
ECONOMIZE ON WARRANTY BY RV PURCHASE INTENTIONS
 Percent Willing to Economize to Buy a Less Expensive RV

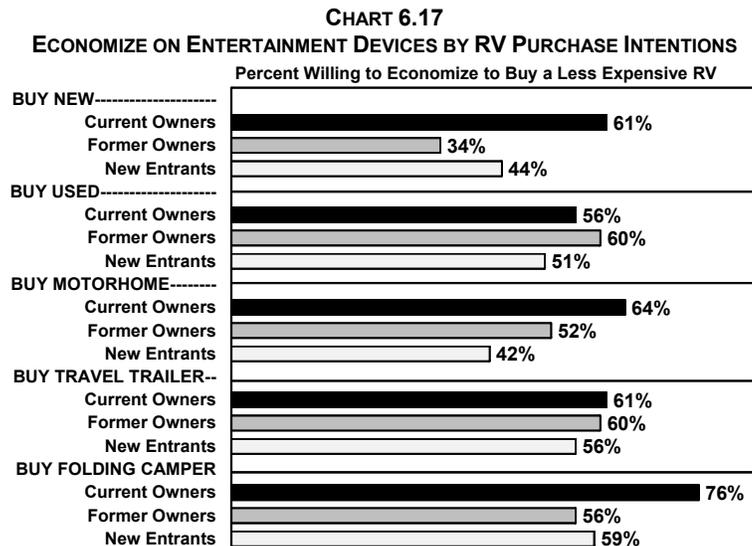


Entertainment and Electronic Devices

Entertainment and electronic devices would seem to provide added value to consumers, but the fewest consumers said these devices were more important than any other feature or amenity on RVs (see Chart 6.16). That overall judgement hides the fact that current RV owners who intend to buy a motorhome judged these features more important than current owners that intend to purchase a travel trailer or folding camper next. Among those that intend to buy a new RV, first time buyers put the most emphasis on the importance of these entertainment items.



Current RV owners who intend to replace their vehicle in the future were the most likely to willingly give up entertainment and electronic devices—whether they plan to purchase a motorhome, conventional or fifth-wheel trailer or a folding camper. First time buyers were generally the least willing to give up these features, but still more willing than for any other feature (see Chart 6.17). This professed lack of importance for these entertainment devices must be considered in the context of the long life of RVs: what entertainment or electronic device will last 10 or 20 or 30 years?



7. Consumer Recreation Preferences and RV Ownership

Assessing Consumer Preferences

What motivates consumers to purchase RVs? Like many other consumer products, RVs are purchased as a means to achieve some valued outcome. The measurement of preferences for any product or service can take many forms. Some may prefer measures that focus solely on behavior, such as past purchases. Others may favor future purchase intentions to ascertain current preferences. Economists favor such behavioral measures, and these two measures were already extensively discussed. Simply focusing on such behavioral measures, however, may provide reliable data on outcomes, but such data does not provide an understanding of the factors which give rise to preferences for RVs.

All respondents to the 2011 survey were asked about the frequency they engaged in eight different leisure time activities in the past five years. For some of the items, very frequent participation would favor the use of an RV, for others, very frequent participation would not favor the purchase of an RV. The items were:

- Hiking, camping, fishing or hunting
- Attending outdoor concerts, sporting or racing events
- Traveling to new places without planning where to go in advance
- Doing outdoor activities with your family
- Staying in hotels or motels when you travel for leisure
- Taking weekend getaways or vacations
- Visiting family and friends in different parts of the country
- Vacationing at the same destination

The question asked whether they engaged in each of these activities frequently, sometimes, rarely, or never in the past five years. The RV industry has long used the phrase “family camping” to describe the essential appeal of their product, but over the decades, RVs have been used for a wide array of activities that go well beyond family camping. It should be no surprise that the one activity the majority of all consumers engaged in was “doing outdoor activities with your family,” done “frequently” by 51%

of all consumers (see Chart 7.1). At the other end, 41% said that they “never” traveled to new places without planning in advance. It’s hard to avoid doing some of these activities in the past five years, but that time frame was used for two reasons. First, given the long economic downturn, if the question was asked about the last year or two it would eliminate those consumers most severely affected by the recession. Second, the longer time frame was understood by respondents as asking about their underlying preferences not just what they were able to do in the past year or so.

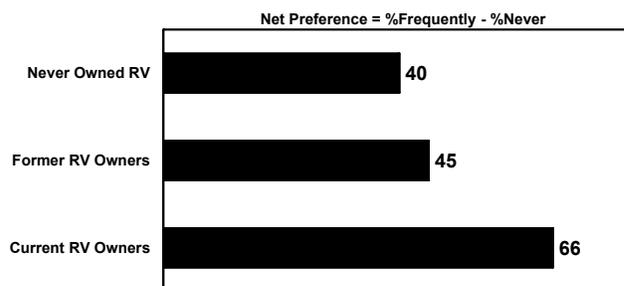
Chart 7.1
Preferences for Leisure Time Activities Among RV Owners and All Households

	RV Owners			All Households		
	Often	Never	Net	Often	Never	Net
Doing outdoor activities with family	68%	2%	66	51%	8%	43
Hiking, camping, fishing, hunting	65%	6%	59	27%	32%	-5
Taking weekend getaways or vacations	34%	9%	25	20%	18%	2
Staying in hotels/motels when traveling for leisure	34%	12%	22	38%	14%	24
Vacationing at same destination	34%	13%	21	25%	21%	4
Outdoor concerts, sporting, racing events	29%	22%	7	18%	28%	-10
Visiting family/friends in different parts of country	20%	17%	3	20%	20%	0
Traveling to new places without advance planning	16%	33%	-17	14%	41%	-27

Preferences for Outdoor Family Activities

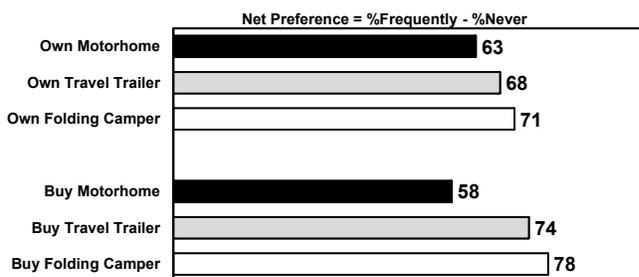
Preferences for engaging in outdoor activities with other family members had a strong relationship with whether the respondent was a current RV owner, a former owner or if the respondent never lived in a household that owned an RV. Among RV owners, 68% said that they frequently engaged in outdoor family activities; just 2% said that they never engaged in outdoor family activities (see Chart 7.1 on previous page). Note that former RV owners were more similar to those who had never owned an RV than to current RV owners (see Chart 7.2). While it is hard to judge causation, it could be that former owners, because of age, the death of a spouse, divorce, or no longer having children at home, did not engage in outdoor family activities.

CHART 7.2
PREFERENCES FOR OUTDOOR FAMILY ACTIVITIES
BY RV OWNERSHIP



There were only small variations in the proportions that favored outdoor family activities by the type of RV that they currently owned or that they intended to purchase. Note that purchase intentions include owners, former owners, and new market entrants. The most distinctive aspect was for motorhome owners or those that intended to purchase a motor home in the future: while the majority of these consumers still favored outdoor family recreation, they were somewhat less likely to do so than those that owned or intended to purchase a conventional or fifth-wheel travel trailer or a folding camping trailer, with the difference most pronounced for motorhome purchase intentions (see Chart 7.3). For those that expected to purchase a motorhome, 61% frequently participated in outdoor family recreation compared with 3% who never did this activity. For those that intended to purchase travel trailers, 76% frequently engaged in outdoor family activities, and for those that intended to purchase a folding camping trailer, 79% frequently engaged in outdoor family activities. The evidence certainly supports the traditional industry label of RVs being a family oriented product.

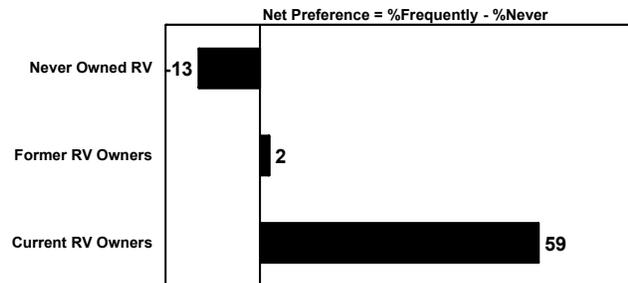
CHART 7.3
PREFERENCES FOR OUTDOOR FAMILY ACTIVITIES
BY TYPE OF RV OWNED AND RV INTEND TO BUY



Preferences for Hiking, Camping, Fishing and Hunting

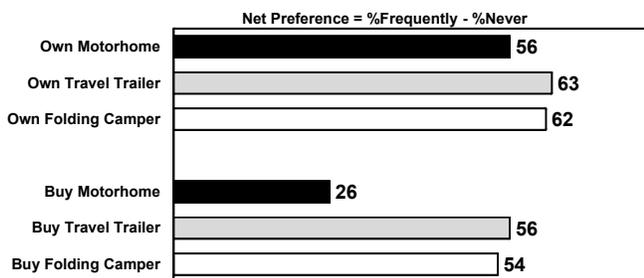
Two-thirds of current RV owners reported that they frequently camped, hiked, went fishing or hunting and just 6% said they never engaged in these activities. The overwhelming preference for these activities was all but absent among consumers who never owned an RV. Indeed, among non-owners just 22% reported frequently engaging in these activities while 35% reported never doing any of these activities in the past five years. This certainly confirms the second word of the catch phrase that RVers can be best described as favoring “family camping.” Former RV owners were again closer to those that had never owned an RV than to current RV owners (see Chart 7.4). While causation cannot be proven with these data, the correspondence between these traditional outdoor activities of camping, hiking, hunting and fishing with RV ownership is the strongest of any preference tested.

CHART 7.4
PREFERENCES FOR CAMPING, HIKING, HUNTING AND FISHING
BY RV OWNERSHIP



There was little difference in preferences for camping, hiking, hunting and fishing across owners of different types of RVs. Between 62% and 69% of owners of each type of RV reported that they engaged in these activities frequently (see Chart 7.5). While current motorhome owners were likely to report frequently engaging in these activities, those that intended to purchase a motorhome were just half as likely. Among those who anticipated purchasing a motorhome, 42% reported that they frequently went camping, hiking, hunting or fishing, while 16% said that they never did these activities. In contrast, among those that intended to purchase a travel trailer, 61% mentioned that they frequently engaged in these activities while just 5% reported never doing them. This suggests that the descriptive phrase “family camping” may be best left to RVs other than motorhomes.

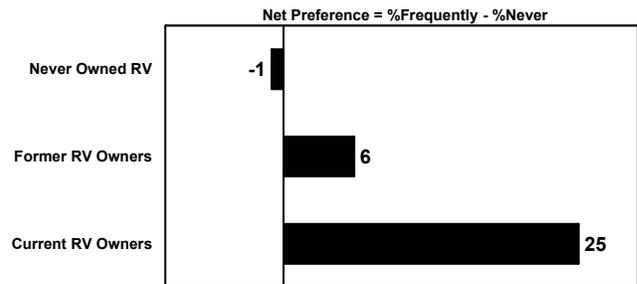
CHART 7.5
PREFERENCES FOR CAMPING, HIKING, HUNTING AND FISHING
BY TYPE OF RV OWNED AND RV INTEND TO BUY



Preferences for Taking Weekend Getaways

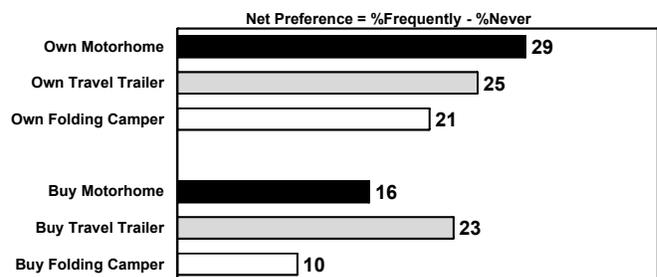
One-third of current RV owners reported that they frequently went on weekend getaways compared with less than one-in-five consumers who had never owned an RV (see Chart 7.6). Indeed, among consumers who had never owned an RV, consumers were more likely to report that they never took weekend getaways than reported that they took them frequently over the past five years. Weekend getaways had a strong relationship with RV ownership and are a natural way that people who enjoy frequent outdoor family recreation as well as hiking, camping and hunting to participate in these activities. Note that former RV owners were more like people who had never owned an RV than current owners. This repeated finding may suggest that keeping RV owners actively participating in weekend getaways as well as other activities may keep them as owners for longer periods.

CHART 7.6
PREFERENCES FOR TAKING WEEKEND GETAWAYS
BY RV OWNERSHIP



Motorhome owners were slightly more likely to report frequent weekend getaways than conventional and fifth-wheel travel trailers or owners of folding campers (see Chart 7.7). Given the logistics of using these vehicles, one might have expected a much larger difference between motorhomes and other types of RVs. Interestingly, when classified by what type of RV they intended to purchase, those that anticipated buying conventional and fifth-wheel trailers were more likely to report frequent weekend getaways.

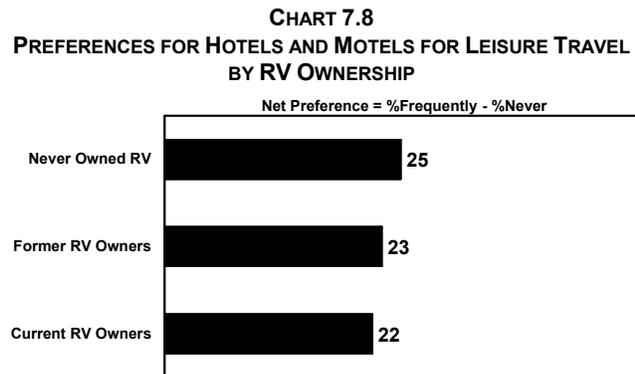
CHART 7.7
PREFERENCES FOR TAKING WEEKEND GETAWAYS
BY TYPE OF RV OWNED AND RV INTEND TO BUY



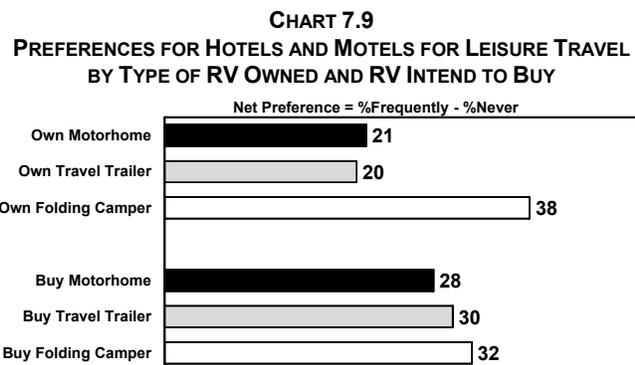
Overall, the differences were rather minor, with frequent weekend getaways reported by 23% to 31% for the different types of RV. It would seem that preferences for weekend getaways mainly distinguish the desire to own an RV rather than the type of RV, although the data did slightly tilt toward motorhomes.

Preferences for Hotels and Motels when Traveling for Leisure

Preferences for staying at hotels or motels when traveling for leisure was done as frequently by RV owners as those who had never owned an RV (see Chart 7.8). The net between frequent and never responses showed little difference by RV ownership status—just 3 percentage points. Overall, this preference for hotels and motels had no significant relationship with RV ownership. The result implies that RV owners may travel more for leisure, and this added travel means that they use hotels and motels as frequently as those who do not own an RV.



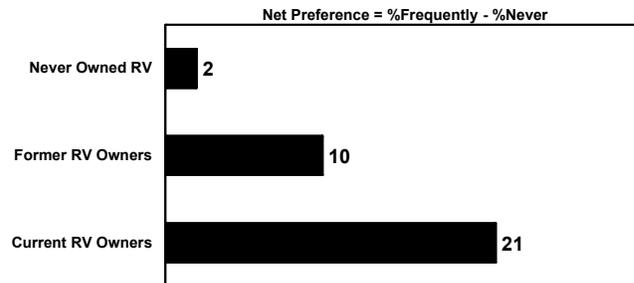
Hotel and motel preferences when traveling for leisure only showed a relationship with folding camping trailers (see Chart 7.9). The basic relationship may reflect more hotel or motel use when owners of folding camping trailers are traveling to the camping destination. Among current owners of folding camping trailers, 43% reported that they frequently stayed at a hotel or motel when traveling for leisure, compared with 5% who reported that they never did. For motorhome and travel trailer owners, just one-third reported frequent use, and about one-in-eight reported never using a hotel or motel. Although the same relationship held depending on the type of RVs they intended to purchase, the association was much weaker and generally insignificant.



Preferences for Vacationing at Same Destination

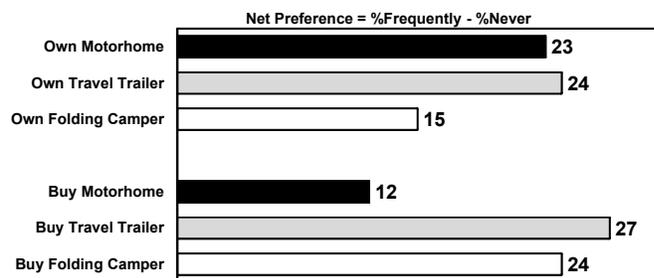
Repeatedly vacationing at the same destination was frequently done by 34% of all RV owners compared with 24% of consumers who had never owned an RV. Never going back to the same destination was cited by 13% of RV owners and by 22% of consumers who had never owned an RV. This was a significant difference (see Chart 6.10). Former RV owners were between these two polar views on repeatedly going back to the same location. Note that the “same destination” has a broader definition than the same RV park; consumers defined the same definition as returning to Florida or Arizona or going back to the Yellowstone area, and so forth. Of course, some meant the exact same spot that they owned or regularly rented. The same destination may also have social importance as RV’ers may regularly get together with family and friends at these “same” destinations.

CHART 7.10
PREFERENCES FOR VACATIONING AT SAME DESTINATION
BY RV OWNERSHIP



Current owners of motorhomes show no difference in their preference for regularly vacationing at the same destination compared with owners of conventional or fifth-wheel travel trailers (see Chart 7.11). Those that intend to purchase a motorhome, however, were much less likely to frequently vacation at the same destination. This suggests that one of the reasons people buy a motorhome is that it will allow them greater freedom in where they vacation, but once they have purchased a motorhome, they are no more or less likely to return to the same destination. Note that for folding camping trailers, the difference between prior expectations and actual use go in the opposite direction: when considering the purchase, more consumers think they will return to the same destination, but fewer current owners actually do.

CHART 7.11
PREFERENCES FOR VACATIONING AT SAME DESTINATION
BY TYPE OF RV OWNED AND RV INTEND TO BUY

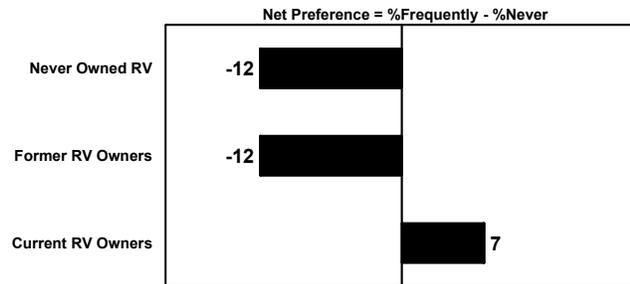


Preferences for Outdoor Concerts, Sporting or Racing Events

RV owners reported going to outdoor concerts, sporting and racing events more frequently than non-owners or former RV owners (see Chart 7.12). Among current RV owners, 29% reported that they frequently attended such outdoor events, while among those that had never owned an RV, just 16% reported frequent attendance. A finding from this survey as well as prior research indicates that people who use their RV more, are more likely to be a long time owner. While attending outdoor concerts,

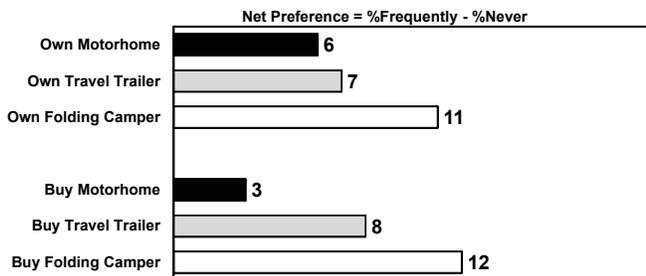
sporting or racing events is not as strong a driver of RV ownership as family camping, it plays an important role in bolstering usage and hence long term ownership. Going to NASCAR events or RV tailgating at sporting events can add an extra measure that provides a higher value to RV ownership.

CHART 7.12
PREFERENCES FOR OUTDOOR CONCERTS, SPORT, RACING EVENTS BY RV OWNERSHIP



It is somewhat surprising that either owning or intending to purchase a folding camping trailer had a greater association with attendance at outdoor concerts, sporting or racing events (see Chart 7.13). The main difference that elevated folding camping trailers was not the proportion of those who attended frequently but the proportion that never attended. Among current owners of folding camping trailers, just 11% never attended such outdoor events compared with 21% of motorhome owners and 25% of travel trailer owners. Attendance was more frequently reported by those that intended to purchase a folding camping trailer than a motorhome or travel trailer, however.

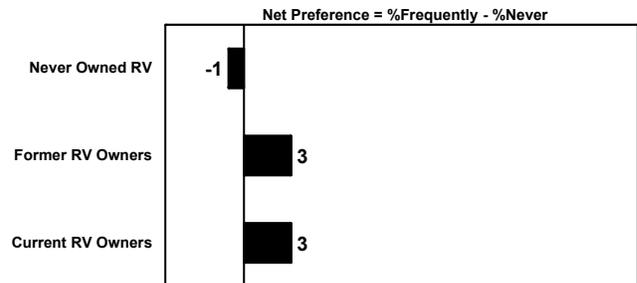
CHART 7.13
PREFERENCES FOR OUTDOOR CONCERTS, SPORT, RACING EVENTS BY TYPE OF RV OWNED AND RV INTEND TO BUY



Preferences for Visiting Family and Friends in Different Parts of the Country

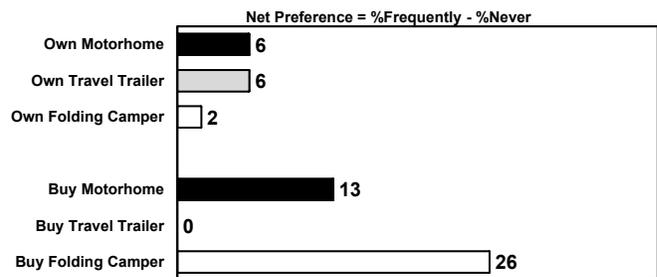
Nearly equal numbers of consumers reported that they frequently visited family and friends in different parts of the country as reported that they never did (see Chart 7.14). Approximately one-in-five consumers reported that they frequently visited family and friends in different parts of the country, and about one-in-five reported that they never traveled to another part of the country to visit family or friends. Of course, some people have widely scattered family and friends and others have all of their family and friends living a short distance away. Importantly, this use of leisure time had no significant association with the ownership of RVs.

CHART 7.14
PREFERENCES FOR VISITING FAMILY AND FRIENDS
BY RV OWNERSHIP



Small and insignificant differences were found in this use of leisure time by whether a motorhome, conventional or fifth-wheel travel trailer, or a folding camping trailer was owned (see Chart 7.15). About one-in-five owners of all types of RVs reported frequently visiting family or friends and slightly under one-in-five reported never traveling to other parts of the country to visit family or friends. The observed differences, however, were larger when the type of RV they intended to buy was taken into account. Those consumers that intended to purchase a folding camping trailer were more likely to report greater travel. Among those with intentions to purchase a folding camping trailer, nearly one-third reported frequent travel to other parts of the country to visit family or friends and just 4% reported that they never travel far to visit family or friends.

CHART 7.15
PREFERENCES FOR VISITING FAMILY AND FRIENDS
BY TYPE OF RV OWNED AND RV INTEND TO BUY

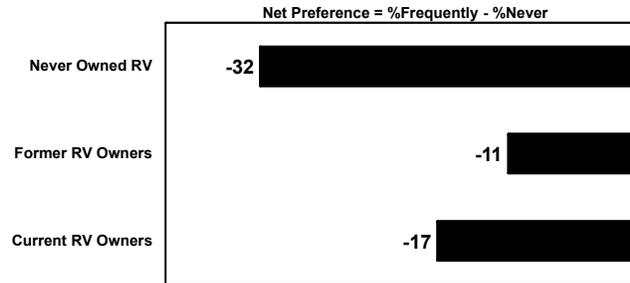


Preferences for Traveling to New Places Without Planning in Advance

A traditional virtue of the RV lifestyle is the freedom to go where you want, when you want. Spontaneous travel has been part of the allure of RVs. When asked how often they visited new places without advance planning, 33% of RV owners said they never took such spontaneous trips, while just 16% said that they did this frequently. This was not as negative as among those who never owned an RV: among these consumers, 44% never engaged in this type of travel compared with 12% who did it frequently

(see Chart 7.16). Interestingly, former owners were the most predisposed to such unplanned travel, although on balance even this group were more likely to never engage in this type of travel as to do it frequently. Although such spontaneous unplanned travel is not widely done, it may provide an important motivation for the small group that do participate in this type of travel.

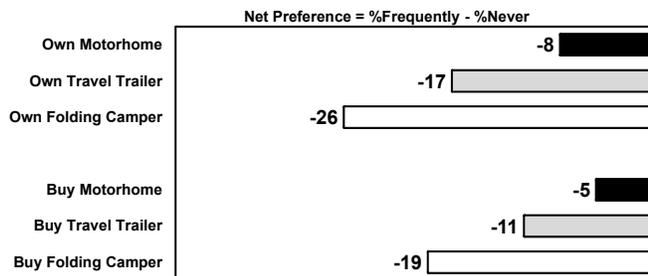
CHART 7.16
PREFERENCES FOR TRAVEL WITHOUT ADVANCE PLANNING BY RV OWNERSHIP



Unplanned spontaneous travel is more important for motorhome owners than owners of any other type of RV (see Chart 7.17). Among motorhome owners, 22% reported taking such unplanned trips frequently compared with just 9% of folding camper owners. Nonetheless, about one-third of owners of all types of RVs reported that they never took such unplanned trips. The same pattern occurs when the data are classified by what type of RV they intend to purchase. Consumers who intend to purchase motorhomes

have a greater inclination to take such unplanned trips than either those that intend to purchase conventional or fifth-wheel travel trailers or folding camping trailers.

CHART 7.17
PREFERENCES FOR TRAVEL WITHOUT ADVANCE PLANNING BY TYPE OF RV OWNED AND RV INTEND TO BUY

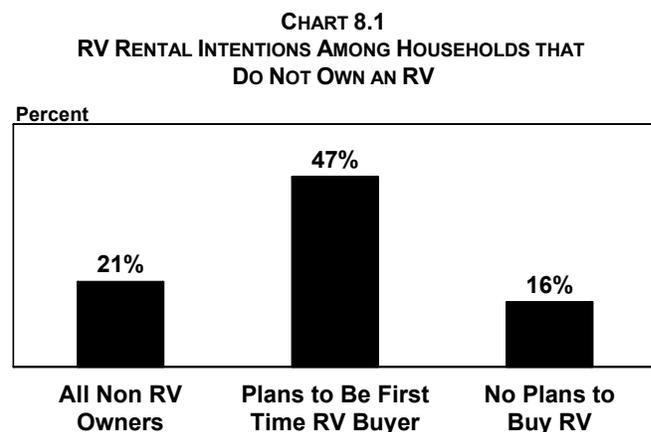


8. RV Rental Intentions

Importance of RV Rentals

The availability of RV rentals offer a significant advantage to consumers. Some consumers want the use of an RV for a particular trip but prefer not to own an RV. These occasional users may be RV'ers at heart, but family vacation choices and other factors may prevent the type of regular use that makes the purchase of an RV practical. There is a second type of renter who rents an RV to determine whether they enjoy the RV lifestyle enough to justified the purchase of an RV. Of course, these two groups are not independent: someone may rent an RV for a specific trip without any thought about purchasing, but like the experience so much that they then choose to purchase an RV.

All households who did not currently own an RV were asked about whether they would consider renting an RV in the next year or so. In the 2011 survey, 21% of non-RV owners said that they would consider renting an RV (see Chart 8.1). To be sure, the data does not indicate that 21% will actually rent an RV in the next year or so. This is the largest size of the potential market; the actual rental demand in the year ahead will depend on a host of economic and financial factors that affect households as well as the availability and costs of rentals. Perhaps the most important finding was that rental intentions were three times as frequent among households that had expressed plans to purchase an RV than those who had no purchase plans. Nearly half (47%) of non-RV owners who expressed plans to become a first time RV buyer also considered renting an RV. The data indicate that renting is a critical entry pathway for the subsequent purchase of an RV. As a result, the features and amenities on rental units may play an important role in shaping the attractiveness of the RV lifestyle among potential first time buyers.

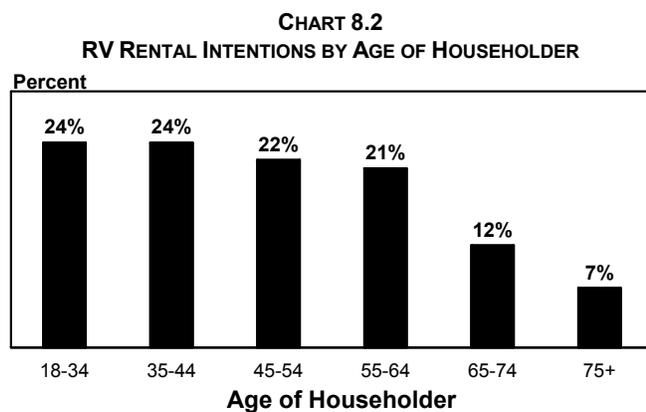


It should be noted that the group that has no purchase plans but is considering renting an RV is quite large. Indeed, the absolute number of consumers that consider renting but not buying an RV is

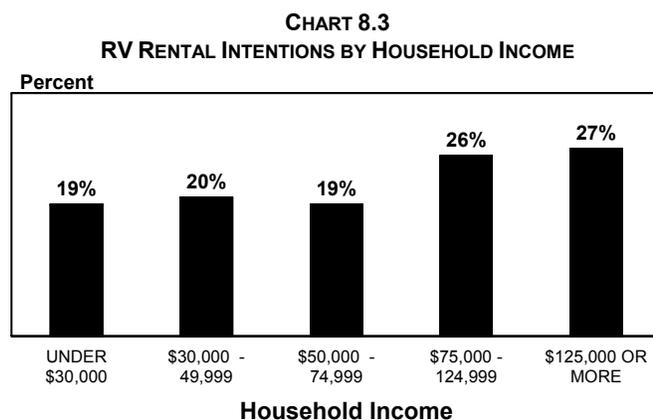
twice the size of the group that considers renting and buying an RV sometime in the future. The size of this group, even with the smaller percentage that considered renting, is very substantial. There is considerable potential for market expansion even if a very small percentage of this larger group becomes attracted to the RV lifestyle and ultimately purchases an RV.

Demographics of Rental Intentions

Although favorable consideration of renting an RV was more common among younger householders, positive rental views did not decline significantly until after age 65 (see Chart 8.2). Just under one-in-four households under the age of 45 considered the rental of an RV, and just over one-in-five householders aged 45 to 64 considered renting an RV. The falloff was rather steep starting at age 65, with just over one-in-ten of those aged 65 to 74 voicing positive rental views, and just 7% of those over age 75 that would consider renting an RV. The relative strength among younger householders makes the potential conversion of renters into lifelong RV owners all the more appealing.

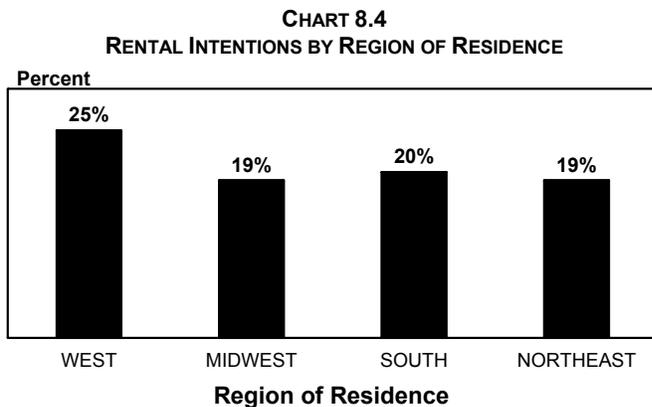


The higher the household income of those who did not currently own an RV, the more likely they were to express an intention to rent an RV (see Chart 8.3). Among households with incomes above \$75,000, one-in-four considered renting an RV, while among households with incomes below \$75,000, about one-in-five households expressed an interest in renting an RV. This one-step difference between low and high incomes was somewhat surprising. It was unexpected that the highest and lowest income groups did not differ more from adjacent income groups. While it is speculative, it may nonetheless be true that the higher the income the more likely the household would translate intentions into actual



rentals.

RV rental intentions are more common among residents of the West as is the actual ownership of RVs. Among Western residents who do not own an RV, one-in-four considered renting an RV (see Chart 8.4). Western residents have greater exposure to the benefits of the RV lifestyle and have an abundance of destinations within easy reach of their homes. There was not much difference in rental intentions for the rest of the country, with about one-in-five residents of the Midwest, the South, and Northeast expressing a desire to rent an RV. The widespread interest in rentals by consumers living in every region of the country does not mean that actual rentals would be as widely disbursed as consumers may prefer to rent an RV closer to their destination.



Potential for RV Rentals in the Future

Rentals represent an obvious means that potential first time buyers assess their interest in purchasing an RV. Moreover, the practice appears widespread, as half of all potential first time buyers intended to rent an RV. Facilitating rentals that contain amenities and features that will spark and enhance the appeal of RV ownership is a natural strategy to expand the market.

Importantly, renting rather than buying RVs may grow in the years ahead due to the lingering negative impact on household finances from the Great Recession. Some devoted RV'ers may shift from buying to renting RVs as the best means to maintain their connection to the RV lifestyle. Others may become lifetime RV renters from the start, preferring to avoid all the encumbrances of ownership. As a result, rentals may become a much larger segment of the overall market in the future. Demand may increase for fly-and-drive rental motorhomes as well as for fly-and-stay rental trailers that are permanently located at campsites.

SURVEY METHODOLOGY

Sample Design

The sample was scientifically designed to be representative of all private households in the coterminous United States. Each household had an equal probability of being selected for the study. As a result, households in all regions of the country, as well as among all economic, social, and demographic groups were represented in the sample in the same proportion as in the actual population. The sample incorporated households that had land-line telephones as well as cell-only households.

Many of the questions asked in the 2011 study were identical to those asked in earlier surveys, and capitalize on the extensive experience gained from past surveys. Some questions were especially designed for the 2011 survey, however. Each question was subjected to rigorous pretesting and development. Of particular importance for the measurement of change were the questions and information used to determine the types of RVs owned by consumers. Respondents were asked to identify the type of RV that they owned, its size, the number of people the RV could accommodate for overnight travel.

A total of 4,903 interviews were conducted between February to May 2011. The data were subjected to a variety of checks for consistency and completeness to insure a high level quality and accuracy. All data were weighted to account for differences in selection probabilities and stratified to demographic distributions derived from the latest Current Population Surveys conducted by the U.S. Census Bureau.

CENSUS REGION DEFINITIONS**NORTHEAST**

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New Jersey
New York
Pennsylvania
Rhode Island
Vermont

MIDWEST

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Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
West Virginia

WEST

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Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming