

Diving Manufacturer and Travel Industry Retailer Study



Providing A Direction for the Industry...

Defining The Market And Its Customers...



Bringing Attitudes And Perceptions To The Surface...

OPEN LETTER FROM THE PRESIDENT AND RESEARCH DIRECTOR

July 18, 1995

To Whom it May Concern:

This study was commissioned to examine the diving industry, and lay down a base-line of collective information for future growth measuring purposes. All surveys were collected via phone survey, using research-industry standard techniques for collection, tabulation and analysis. All data within this report has been carefully examined, and to the best of our professional knowledge, is valid and correct as shown.

Cordially,

William Cline and Dr. Stewart Shapiro President Market Research Director

DIVING MANUFACTURER AND TRAVEL INDUSTRY RETAILER STUDY

"THE INTERNET'S FIRST SCUBA DIVING RESEARCH SITE"

RESEARCH CREATED OCTOBER 1993

ALL TEXT AND DATA IS COPYRIGHTED 1997, ALL RIGHTS RESERVED, CLINE GROUP. REPRODUCTION, IN ANY FORM, STRICTLY PROHIBITED WITHOUT WRITTEN CONSENT OF THE PUBLISHER. COPIES OF THIS REPORT ARE AVAILABLE FROM CLINE GROUP,
2530 BIG HORN, RICHARDSON TX 75080, 972-644-5992

TABLE OF CONTENTS

I. Report Introduction

- II. Executive Summary
- III. Statistical Tolerance of Survey Data
- IV. Methodology
- V. Sampling Issues Geographical Groupings for this Study
- VI. Retailer Study Results
 - Section A. Diving Equipment Manufacturer Relationships
 - Q1: Number of Major Manufacturers Retailer Stock
 - Q2: Which Manufacturers Retailer's Sell the Most
 - Q3. Percentage of Brand Pre-Selection Among Diving Consumers
 - Q4. How Diving Manufacturers Can Help Retailers Sell More Equipment
 - Section B. Dive Travel Destination & Resort Relationships
 - Q9a: Number of Dive Trips Retailers Book Outside the U.S.
 - Q9b: Number of Dive Trips Retailers Book Inside the U.S.
 - Q10a: Average Trip Sizes Outside The U.S.
 - Q10b: Average Trip Sizes Inside The U.S.
 - Q11a: Average Trip Costs Outside The U.S.
 - Q11b: Average Trip Costs Inside The U.S.
 - Q12: How Retailers Book Their Travel Derived Retailer Analysis: Trips Bookings Frequency Compared to Booking Source
 - Q13: Influential Factors in Selecting a Destination for Group Travel
 - Q14: How Resorts Can Help Retailers Sell More Travel
 - Section C. Dive Retailer Analysis
 - Q5: How Often Dive Retailers Attend the DEMA Show
 - Q6. How Retailer's Primarily Advertise to Their Customers
 - Q8. Retailer's Yearly Advertising Budgets
 - Q15. Retailer's Yearly Gross Revenues
- VII. Derived Dive Industry Analysis
 - Section A. Total Consumer Expenditures in U.S. Dive Retailers
 - Section B. Retailer Generated International Dive Travel Market Synopsis and Analysis
 - Section C. Retailer Generated National Dive Travel Market Synopsis and Analysis
 - Section D. Combined Dive Travel Market Synopsis and Analysis
 - Section E. Total Dive Travel Industry Expenditures
 - Section F. Total Number of Industry Travelers
 - Section G. Total Diving Industry Expenditure Estimation
- VIII. Appendix: Retailer Questionnaire
- IX. Appendix: Cline Group Corporate Profile & Client List
- X. Cline Group Additional Project List

Report Introduction

The Cline Group independently commissioned a nationwide study of the diving industry in August, 1993. The study surveyed retailers, selected from a random list of all U.S. dive retailers. A random, representative sample was drawn from a list of all dive retailers listed in all Yellow Pages and Business Pages phone directories in the United States. This sample list is assumed to be the most accurate retailer list available. Individual respondent selection was conducted via computer-generated random number selection methodology, ensuring a random and unbiased sample.

One hundred dive retailers were surveyed for this study, with the following objectives:

1. Study the relationship between dive retailers and diving manufacturers to determine:
 - How many different major brands of dive equipment the average retailer offers to their customers.
 - Which brand or manufacturer retailers sell the most.
 - Retailers perception of what percentage of diving customers enter a store with a specific brand or manufacturer in mind before purchasing.
 - How manufacturers can help retailers sell more diving equipment to their customers.

2. Study how dive travel has impacted the average dive retailer and how big the market is by:
 - Creating a baseline of dive travel data for yearly analysis.
 - Determining how many trips are conducted, at what cost, and how many people travel each year on dive trips, both within the U.S. and outside.
 - Determining how much is spent yearly, with all dive retailers, for the total dive travel market.
 - Determining the percentage of retailers that are actually conducting international and national dive trips.
 - Determining how retailers book their group dive trips, what factors are involved in selecting the destination and what resorts can do to help retailers sell more dive travel.

3. Create a profile of the typical dive retailer's gross income, their advertising expenditures, DEMA show participation and how they primarily advertise for customers. This analysis not only incorporates the tabulated data from this study, but also data collected from other previous diving consumer studies. The second study referenced in this report was conducted for John Englander of the Underwater Explorer's Society (UNEXSO), of Freeport, Grand Bahama. The UNEXSO study took place in October of 1992, where 10,000 surveys were mailed to diving consumers. As a result, the data collected from that study is, in this organization's opinion, the most valid diving consumer data ever collected,

due to the large sample size and the highly unbiased nature of the sample. Only a small portion of the data has been authorized for reprint and analysis in this report, and will be referenced in the appropriate section of this report. What makes this study unique to the diving industry is that this data is not only based upon surveying diving retailers, but also the largest diving consumer sampling in the history of the diving industry as well.

[RETURN TO TABLE OF CONTENTS](#)

Executive Summary

This section contains a brief overview of selected findings from this study. Summary is as follows:

Number of Diving Manufacturer Brands Stocked

1. (Q1) The average retailer stocks slightly over 7 different brands of diving equipment. Stores in the western states stocking the most (8.04) and stores in the central states stocking the least (5.4).
2. (Q2) U.S. DIVERS was reported as the most often sold equipment manufacturer (22.1%) and SCUBAPRO making a close second (21.1%). Dacor and Sherwood tied for the third most often sold brand (12.6%). However, SCUBAPRO overtook U.S. DIVERS as the most often sold brand in stores among the western states.

Percentage of Consumers with Brand Pre-Selection

3. (Q3) Overall, retailers reported that 33.7% of all their customers come into their stores with a pre-conceived brand or manufacturer in mind before purchasing a piece of equipment.

How Diving Manufacturers Can Help Retailers Sell More Equipment

4. (Q4) When dive retailers were asked how diving manufacturers could help them sell more diving equipment, the number one response was for manufacturers to conduct more non-diving advertising (43.8%). The second largest response was for manufacturers to be more concerned about the retailer's profitability, and improve the working relationship between the manufacturer and the store (23.6%). This response encompassed a variety of issues, but primarily dealt with retailers' feeling that manufacturers were not as concerned about their profitability as they should be. The third and fourth responses tied with retailers believing manufacturers need to supply them with more technical information about their products and equally provide them with promotional and marketing assistance (20.2%).

National & International Dive Travel Profiles

5. (Q9a) 75% of all retailers responded that their stores sponsor at least one international trip each year. This number peaked with stores in the central states at 87%. The average retailer that conducts international dive travel, sponsors an average of 5.11 trips outside the U.S. each year.
6. (Q9b) 72% of all retailers responded that their stores sponsor at least one national trip each year. Again, this number peaked with stores in the central states at 87%. The average retailer that conducts national dive travel sponsors an average of 21 trips inside the U.S. each year. The number of trips peaked in the western states at nearly 30 trips and dropped the most in the central states to almost 9 trips.
7. (Q10a) Retailers reported that the average group size for trips outside the U.S. was 14 divers. The average reported group size for trips inside the U.S. was 19 divers (Q10b).
8. (Q11a) Retailers reported that the average price for trips outside the U.S. was \$1,351.97. The average price for trips inside the U.S. was \$269.57. (Q11b).

Factors in Selecting a Dive Destination

9. (Q12) Retailers, on average, book almost 61% of all their travel directly with dive resorts. Stores in the eastern states even peaked higher with almost 74% booking directly with dive resorts. The second largest source for bookings was with travel wholesalers (32%) and travel agents reported as the third (26%).
10. (Q13) Retailers responded that the two most influential factors in choosing a destination for group travel was a destination's overall price (39.7%) and the quality of the diving (38.5%). Facilities were reported as the third most important factor in selecting a destination (23.1%).

How Dive Resorts Can Help Retailers Sell More Dive Travel

11. (Q14) When retailers were asked how dive resorts can help retailers sell more travel, they responded that they needed more brochures or information about a given resort (16.7%). The number two response was for resorts to provide better customer service to the retailers and their customers (13.3%).

Retailer DEMA Attendance

12. (Q5) When asked how often retailers attend the DEMA show, 77% responded that they attend each year, 12% indicated they attend every other year and 11% responded that they rarely or never attend.

Retailer Advertising Methods & Yearly Budget

13. (Q6) Retailers responded that their most common form of retail advertising utilized was the Yellow Pages (36%). Referrals and word of mouth advertising placed second (27%), with the stores mailing or newsletters programs placing third overall (26%).

14. (Q8) Retailers responded that their average yearly advertising budget was slightly over \$15,000. Advertising budgets in the western states peaked at almost \$20,000 per year, with stores in the central states reporting the smallest budgets at almost \$13,000.

Retailer Yearly Gross Revenues

15. (Q15) Retailers responded that their average yearly gross sales were almost \$458,000. Again, stores in the western states peaked at almost \$529,000 per year, and stores in the central states reporting the smallest revenues at almost \$343,000.

Total Estimated Retailer Revenues

16. (Section A) The total dive retailer generated expenditures are estimated to be slightly over \$1 billion. Of this figure, approximately \$347 million is from dive travel sales.

Total Retailer-Generated Dive Travel Revenues

17. (Section B) The estimated \$347 million in retailer generated yearly travel expenditures breaks down as follows; \$170 million from international dive trip sales; and slightly over \$177 million from national dive trip sales.

Total Estimated U.S. Consumer Dive Travel Expenditures

18. (Section C) From the data collected through this report, and in conjunction with a previous consumer study, all dive industry travel expenditures by U.S. consumers, from retailers and other booking sources, is estimated at roughly \$1.7 billion annually.

Total Estimated Number of Dive Travelers

19. (Section D) There are a total estimated 3.8 million dive travelers each year vacationing to both national and international destinations.

Total Estimated U.S. Consumer Dive Industry Expenditures

20. (Section E) As a result of this study, and in conjunction with a previous consumer study, all U.S. consumer diving industry dollar expenditures - for equipment, instruction and travel - are estimated to total roughly \$2.4 billion annually.

[RETURN TO TABLE OF CONTENTS](#)

Statistical Tolerances of Survey Data

In interpreting survey results it should be kept in mind that all surveys are subject to sampling error, that is, the extent to which the results may differ from those that would be obtained if the entire dive retailer population in the U.S. had been interviewed. The size of such sampling errors depends largely on the number of interviews.

The following table may be used to determine the allowances that should be made for the sampling error of a percentage. The computed tolerances have taken into account the effect of the sample design upon sampling error. They may be interpreted as indicating the range (plus or minus the figure shown) within which the results of repeated samplings in the same period could be expected to vary, 90% of the time, assuming the same sampling procedure, the same survey execution, and the same questionnaire were used.

Recommended Allowances for Sampling Error of a Percentage In Percentage Points (at 90 in 100 confidence level for a sample size of 100) 1

Percentages near 10...5.0
Percentages near 20...6.6

- Percentages near 30...7.6
- Percentages near 40...8.1
- Percentages near 50...8.3
- Percentages near 60...8.1
- Percentages near 70...7.6
- Percentages near 80...6.6
- Percentages near 90...5.0

1 The chances are 90 in 100 that the sampling error is not larger than the figures shown. The table should be used as follows: If a reported percentage is 22, look at the row labeled "percentages near 20". The number at this point is 6.6, which means that the 22 percent obtained in the sample is subject to a sampling error of plus or minus 6.6 points. Another way of saying it is that very probably (90 times out of 100) the average of repeated samplings would be somewhere between 15.4 and 28.6, with the most likely figure of 22 obtained. All sampling error rates listed in this study are well within acceptable tolerances for a survey of this nature.

[RETURN TO TABLE OF CONTENTS](#)

Methodology

Questionnaire Development The dive retailer questionnaire was developed by Cline Group's research director, Dr. Stewart Shapiro and William Cline. Prior industry experience in conducting market studies, as well as specific diving industry expertise was applied to the creation of this survey to ensure accurate data were collected in the most efficient manner possible. This study incorporated phone surveys to accomplish the stated objectives. A copy of the survey is included in the Appendix of this report. **Questionnaire Administration** To accomplish the outlined goals, 100 dive retailers were randomly selected from a list of all scuba diving retailer stores residing in the Continental U.S., Alaska and Hawaii. As a result, the responses are anticipated to indicate how all dive retailers would respond if asked the following survey questions.

Phone interviews were conducted over a 4 day period (August 16 to August 19, 1993). A total of 309 calls were attempted, with 209 calls being terminated at some point before or during the survey. 100 surveys were completed and tabulated under the supervision of Cline Group's research department. All participating respondents were required to finish and complete the entire survey, no partial surveys were tabulated or counted in the sample.

Data Analysis and Report Generation As outlined in the report introduction, this study incorporates data collected from this survey as well as data from a previous large-scale consumer survey conducted for UNEXSO. The second study's data is necessary to create the industry-wide projections contained in Section VII, 'Derived Dive Industry Analysis'. Analysis is limited to the data contained in this report. All previous studies (with the exception of the UNEXSO study) within the industry were not utilized for any of the analysis in this report. Therefore, this study will be repeated each year at approximately the same time (August or September) to create an trend analysis of this data over the next several years, thereby creating an accurate picture of growth or decline within the diving industry.

[RETURN TO TABLE OF CONTENTS](#)

Sampling Issues

Selection criteria for the sample was drawn from a list of all diving retail stores in the U.S. A random computer-generated 'N'th' sampling technique was used to select the subjects for survey.

Geographical Groupings for this Study

As this study involves a limited number of retailers, three geographical breakdowns were selected for comparison purposes. However, as some of the segmentation data involves very limited numbers, caution should be exercised when viewing the geographical segmentation data contained in some of these responses. The geographical segmentation portions of the responses will, however, give a good indication of the general attitudes and responses for the specified areas.

Labels	Overall	base
Southeast	36.0%	36
Northeast	17.0%	17
Southwest	14.0%	14
Upper Great Lakes	8.0%	8
Gulf States	8.0%	8
Midwest	7.0%	7
Northwest	6.0%	6
AK/HI	4.0%	4
Base		100

Each of these regions represent the following samples

Labels	Overall	base
East	53.0%	53
West	24.0%	24
Central	23.0%	23
Base		100

These regions are grouped as follows:
 West = Southwest, Northwest and AK/HI
 Central = Midwest, Upper Great Lakes and Gulf States
 East = Northeast and Southeast

Again, as pointed out, the Central and West regions contain very small base number responses, and therefore should be used as relative comparison data only.

[RETURN TO TABLE OF CONTENTS](#)

Retailer Study Results

Following are various notes that will help in interpreting the charts, tables and conclusions within this report:

1. The responses to each question are grouped according to similar classifications and are listed in numerical order of response. The total number of subjects responding to each question are also indicated.
2. All answers are listed in percentages or mean (average) figures for a given response. Questions 4, 6, 12, 13 and 14 responses total more that 100% due to survey subjects responding with multiple answers. The actual number of responses are listed after each percentage breakdown and labeled 'Base'.
3. After each question's response, a chart or series of charts are displayed to graphically represent significant portions of the data.
4. Where there is a significant finding, a subjective analysis of the data is given for application of the reported findings.
5. All data analyzed within this report is taken directly from the survey collected for this study, however, within later sections, a previous consumer study will be clearly identified and referenced for projecting total industry expenditures and other projections.
6. Although the 'Overall' classification contains the outlined error rates, caution should be exercised in interpreting any geographical segmentation with a base of less than 50 retailers. The geographical breakdowns are provided for a point of reference only, the main trends and analysis will be focused on the 'Overall' heading, or the total response for a given question.

[RETURN TO TABLE OF CONTENTS](#)

The results from this retailer study are as follows:

Section A. Diving Equipment Manufacturer Relationships

Q1. As a diving retailer, approximately how many different major diving manufacturers does your store stock on a regular basis?

Labels	Overall %	West %	Central %	East %
3 or Less	18.2%	20.8%	26.1%	13.5%
4 to 6	48.5%	33.3%	56.5%	51.9%
7 to 9	4.0%	8.3%	0.0%	3.8%
10 or More	29.3%	37.5%	17.4%	30.8%
Mean	7.26	8.04	5.43	7.71
Base	99	24	23	52

Conclusions
 Most retailers stock roughly 7 different brands of diving equipment. However, the mean scores indicate that stores in the West (8.04) and East (7.7) stock the most brands.

[RETURN TO TABLE OF CONTENTS](#)

Q2. Which major manufacturer do you sell the most of?

Labels	Overall %	West %	Central %	East %
US Divers	22.1%	25.0%	31.8%	16.3%
Scuba Pro	21.1%	33.3%	13.6%	18.4%
Sherwood	12.6%	8.3%	9.1%	16.3%
Dacor	12.6%	4.2%	9.1%	18.4%
Seaquest	6.3%	0.0%	9.1%	8.2%
Oceanic	5.3%	4.2%	4.5%	6.1%
Beuchat	4.2%	4.2%	9.1%	2.0%
Cressi Sub	3.2%	0.0%	0.0%	6.1%
TUSA	3.2%	8.3%	0.0%	2.0%
Tabata	2.1%	0.0%	4.5%	2.0%
Mares	2.1%	0.0%	4.5%	2.0%
Parkway	1.1%	0.0%	4.5%	0.0%
IDI	1.1%	0.0%	0.0%	2.0%
Ocean Edge	1.1%	4.2%	0.0%	0.0%
Trident	1.1%	4.2%	0.0%	0.0%
Diving Star	1.1%	0.0%	0.0%	2.0%
Base	95	24	22	50

Conclusions

According to retailers, U.S. DIVERS maintains a slight lead over SCUBAPRO, with SHERWOOD and DACOR tied for the number three position. However, when the geographical segmentation chart is viewed, SCUBAPRO takes a slight lead over U.S. DIVERS in the western states, while DACOR and SCUBAPRO nearly tie for first place among the eastern states.

[RETURN TO TABLE OF CONTENTS](#)

Q3. What percentage of your customers come into your store with a certain manufacturer in mind before they purchase?

Labels	Overall %	West %	Central %	East %
10% or Less	20.8%	25.0%	8.7%	24.5%
11% to 20%	21.9%	8.3%	39.1%	20.4%
21% to 30%	15.6%	33.3%	13.0%	8.2%
31% to 40%	10.4%	4.2%	13.0%	12.2%
41% to 50%	15.6%	12.5%	13.0%	18.4%
51% to 60%	5.2%	8.3%	0.0%	6.1%
Over 61%	10.4%	8.3%	13.0%	10.2%
Mean	33.71	32.75	33.48	34.29
Base	96	24	23	49

Conclusions

Retailers believe that overall, nearly 34% of all their consumers come into their stores with a specific brand or manufacturer in mind before purchasing. A very slight increase in the mean brand pre-selection is identified among stores in the eastern states, however, at the given error rates, the differences across the U.S. is insignificant. The segmentation chart does point out some differences among the regions within the percentage classifications. Most notably are the peaks identified in 21% to 30% classification with stores in the western states and the 11% to 20% peak in the central states.

[RETURN TO TABLE OF CONTENTS](#)

Q4. As a dive retailer, how could diving manufacturers help you increase your store's sales?

Labels	Overall %	West %	Central %	East %
Conduct More Advertising (primarily non-diving)	43.8%	23.8%	59.1%	45.7%
Better Retailer Service/More Concern about Retailer's Profitability	23.6%	38.1%	18.2%	19.6%
Provide More Promotional/Marketing Support Programs/Expertise	20.2%	19.0%	27.3%	17.4%
Supply Retailer With More Technical Information/Flyers/Reprints	20.2%	47.6%	9.1%	13.0%
Better Pricing Structures/More Incentives, Terms or Quantity	14.6%	4.8%	4.5%	23.9%
Products need better Quality Control/More Reliability	11.2%	0.0%	4.5%	19.6%
Regular Product Availability/Timely Stock Delivery/Less back orders	1.2%	14.3%	9.1%	10.9%
Other	6.7%	9.5%	9.1%	4.3%
Stop Direct Mail/Consumer Selling (also instructor sales)	5.6%	9.5%	0.0%	6.5%
Less Mass Merchandising	5.6%	0.0%	4.5%	8.7%
More Selectivity in Choosing Dealers	3.4%	0.0%	0.0%	6.5%
Provide Product Videos for Classes/Customers/Demonstrations	2.2%	4.8%	0.0%	2.2%
Base	89	21	22	46

Conclusions

Clearly, dive retailers believe diving manufacturers could help them to sell more equipment by simply advertising more to non-divers, or potential customers (43.8%). As this response is nearly 20% higher than any of the other responses, it can be termed a significantly clear response for this question.

When the segmentation chart is viewed, nearly 60% of the central states answered this as their number one response as well. The second area desired is improved or better retailer service, more concern about retailer's profitability and an overall improved working relationship with the manufacturers (23.6%). Many retailers resented the feeling that they are being 'sold' items or quantities that are detrimental to them as retailers, therefore blaming the manufacturers for not doing a better job of educating them in proper stocking and ordering techniques. Stores in the western states felt this 'customer service issue' was more important (38%) than even more non-diving advertising (24%).

The third area identified that would help them sell more equipment was for manufacturers to provide them with more technical information about various products (20.2%). This desire for more technical information includes needing equipment articles or specification sheet reprints for in-store distribution or mailing with newsletters. Overall, retailers felt that manufacturers could do a better job of supplying them with more technical information intended to make the store personnel more versed in the various technologies and product specifications, thereby making them more knowledgeable about the products, and better salespersons. Again, the western states peaked at almost 50% for this response. Also tied for third is the retailers need for more marketing or promotional support (20.2%). This response deals with retailer's desire for more product-specific marketing expertise and education from the manufacturer. This support includes seminars, flyers, on-site visits and joint manufacturer/retailer in-store promotionals. The fourth response was the retailers desire for better pricing structures or terms, better (lower) quantity discounts and more incentives for the retailer to stock and sell a particular brand or product (14.5%).

Better product quality control and more a timely distribution systems were tied as the fifth highest responses (11.2%). Retailers believe there are several problems with the pricing structures, especially related to quantity discounts and timely distribution of new products for the summer selling season. One retailer summed it up by saying that they were frustrated by the fact that the orders are placed at DEMA for new products, and delivery is not until September or October, after the Summer. Stores in the eastern states identified that the quality control issues was more important (19.6%), while retailers in the western states identified that the distribution problems were more of concern (14.3%).

[RETURN TO TABLE OF CONTENTS](#)

Section B. Dive Travel Destination & Resort Relationships

Q9a. Does your store sponsor dive trips outside the U.S.?

Labels	Overall %	West %	Central %	East %
Yes	75.0%	66.7%	87.0%	73.6%
No	25.0%	33.3%	13.0%	26.4%
Base	100	24	23	53

Q9a. Continued, If yes, how many trips outside the U.S. does your store sponsor annually?

Labels	Overall %	West %	Central %	East %
6 or Less	77.3%	75.0%	85.0%	74.4%
7 to 12	13.3%	12.5%	10.0%	15.4%
13 to 24	6.7%	6.3%	5.0%	7.7%
25 or More	2.7%	6.3%	0.0%	2.6%
Mean	5.11	5.04	3.96	5.63
Base	75	16	20	39

Conclusions

As illustrated, 75% of all dive retailers book some form of international dive travel. Of these stores, a slightly larger percentage of retailers in the central states offer international travel at a higher rate than other regions (85% for Central versus 75% for Overall). The average retailer conducts slightly over 5 international trips each year. As identified in the segmentation data, more retailers in the central states offer dive travel, however, the frequency of those trips is significantly less. According to the mean/average trip numbers, eastern states conduct the most international dive travel at 5.6 trips, with western following at 5 trips and central last at 3.9 trips.

[RETURN TO TABLE OF CONTENTS](#)

Q9b. Does your store sponsor dive trips inside the U.S.?

Labels	Overall %	West %	Central %	East %
6 or Less	77.3%	75.0%	85.0%	74.4%
7 to 12	13.3%	12.5%	10.0%	15.4%
13 to 24	6.7%	6.3%	5.0%	7.7%
25 or More	2.7%	6.3%	0.0%	2.6%
Mean	5.11	5.04	3.96	5.63
Base	75	16	20	39

Q9b. Continued, If yes, how many trips does your store sponsor annually inside the U.S.?

Labels	Overall %	West %	Central %	East %
6 or Less	31.9%	29.4%	60.0%	17.1%
25 or More	31.9%	29.4%	5.0%	48.6%
7 to 12	25.0%	29.4%	20.0%	25.7%
13 to 24	11.1%	11.8%	15.0%	8.6%
Mean	21.14	29.88	8.65	22.60
Base	72	17	20	35

Conclusions

Seventy-two percent of all dive retailers sell dive trips within the U.S. These would include trips to a local weekend dive site (where the store charges for the trip). As noticed with the international travel, a significantly higher percentage of retailers located in the central states sell more national dive travel as compared to other regions. However, when mean responses are compared, the average retailer that sells national dive travel books approximately 21 trips a year, with peaks identified among the western states at almost 30 trips with the central states booking the least at 9 trips. Again, even though a higher percentage of retailers in the central states sell national dive travel, the frequency of those trips are significantly less.

[RETURN TO TABLE OF CONTENTS](#)

Q10a. What is the average size of your dive trips outside the US?

Labels	Overall %	West %	Central %	East %
11 to 15	36.00%	18.75%	50.00%	35.90%
16 to 20	29.33%	37.50%	20.00%	30.77%
10 or Less	26.67%	31.25%	20.00%	28.21%
21 or More	8.00%	12.50%	10.00%	5.13%
Mean	14.41	15.06	14.55	14.08
Base	75	16	20	39

Conclusions

As indicated in the table, most retailer's average trip size outside the U.S. is between 11 and 15 persons, with the average number being slightly over 14. Slight increases in trip sizes are identified in the western states, however, due to the error rate, there is very little relative difference among all the regions.

[RETURN TO TABLE OF CONTENTS](#)

Q10b. What is the average size of your dive trips inside the US?

Labels	Overall %	West %	Central %	East %
11 to 20	43.06%	47.06%	40.00%	42.86%
10 or Less	37.50%	17.65%	50.00%	40.00%
21 to 30	11.11%	29.41%	5.00%	5.71%
31 or More	8.33%	5.88%	5.00%	11.43%
Mean	19.22	20.06	14.62	21.50
Base	72	17	20	35

Conclusions

As indicated in the table, most retailer's average trip size inside the U.S. is between 11 and 20 persons, with the average number being slightly over 19. Slight increases in trip sizes are identified in the eastern states.

[RETURN TO TABLE OF CONTENTS](#)

Q11a. What's the average price of your dive trips outside the US?

Labels	Overall %	West %	Central %	East %
\$1,001 to \$1,500	41.89%	50.00%	36.84%	41.03%
\$1,000 or Less	39.19%	18.75%	42.11%	46.15%
\$1,501 to \$2,000	9.46%	18.75%	15.79%	2.56%
\$2,001 or More	9.46%	12.50%	5.26%	10.26%
Mean	\$1,351.97	\$1,581.25	\$1,305.00	\$1,283.75
Base	74	16	19	39

Conclusions

Dive retailers reported that most of their international dive trip prices fall within the \$1,001 to \$1,500 classification, with an overall average trip price of \$1,352. Slight elevations in trip costs are identified among western states (\$1,581), with the least expensive average being reported among the eastern states (\$1,284).

[RETURN TO TABLE OF CONTENTS](#)

Q11b. What's the average price of your dive trips inside the US?

Labels	Overall %	West %	Central %	East %
Less Than \$100	35.29%	50.00%	21.05%	36.36%
\$101 to \$250	30.88%	6.25%	36.84%	39.39%
\$251 to \$500	17.65%	43.75%	5.26%	12.12%
More Than \$501	16.18%	0.00%	36.84%	12.12%
Mean	\$269.57	\$190.63	\$442.11	\$210.29
Base	68	16	19	33

Conclusions

The most frequently stated price for national dive trips was \$100, with an overall average trip price of \$270. Significant elevations in national trip costs were reported among the central states (\$442), with higher transportation costs to the coasts and the least expensive average being reported among the western states (\$191), most likely influenced by the daily boat charter business.

[RETURN TO TABLE OF CONTENTS](#)

Q12. Who do you book your trips through?

Labels	Overall %	West %	Central %	East %
Book Direct with Resorts	60.7%	45.0%	50.0%	73.8%
Dive Wholesalers	32.1%	30.0%	50.0%	23.8%
Travel Agents	26.2%	30.0%	22.7%	26.2%
In House Travel	4.8%	10.0%	4.5%	2.4%
PADI Travel Network	2.4%	0.0%	4.5%	2.4%
Base	84	20	22	42

Conclusions

Clearly, the majority (61%) of all dive retailers that sell dive travel, book directly

through the resort or dive operator. Dive wholesalers followed with a 32% market share. However, among the central states, dive wholesalers tied with direct bookings, possibly due to more complicated airlift issues. Also as illustrated in the segmentation chart, the eastern state stores peaked with almost 75% booking direct with resorts.

Derived Retailer Analysis

Labels	Overall	Travel Agent	Dive Whole.	Direct
5 or Less	66.7%	50.0%	70.0%	77.8%
6 or More	33.3%	50.0%	30.0%	22.2%
Base	84	22	20	36

This table displays the relationship between the volume of international dive travel and how those retailers booked their trips. As illustrated, retailers' international trip bookings were divided into two broad groups, those selling 5 trips or less and those selling 6 trips or more in order to compare how these trips are booked: Trip Booking Frequency Compared to Booking Source Conclusions As illustrated, by following the '6 or More' line, there is a significant peak with retailer's booking 6 or more international trips with travel agents and wholesalers, as compared to the percentage that book directly with resorts.

[RETURN TO TABLE OF CONTENTS](#)

Q13. What is the most influential factor in choosing a destination for group dive trips?

Labels	Overall %	West %	Central %	East %
Overall Price	39.7%	29.4%	42.9%	42.5%
Quality of Diving	38.5%	58.8%	38.1%	30.0%
Facilities	23.1%	41.2%	23.8%	15.0%
Accessibility/Airlift	10.3%	5.9%	19.0%	7.5%
Success of Last Trip/Prior Experience	10.3%	5.9%	4.8%	15.0%
Commissions	7.7%	11.8%	4.8%	7.5%
Professionalism/Service Level	3.8%	0.0%	4.8%	5.0%
Advertising	2.6%	0.0%	0.0%	5.0%
Weather	1.3%	0.0%	0.0%	2.5%
Referral	1.3%	0.0%	4.8%	0.0%
Store Merchandising Opportunities	1.3%	0.0%	0.0%	2.5%
Base	78	17	21	40

Conclusions

This question provides a good indication as to what factors go into choosing a destination for group travel. As illustrated, the top two factors in selecting a destination are the overall price (40%) and quality of diving (39%). Due to the given statistical variance, there is very little difference between these two responses, therefore indicating that both of these are equally important factors. When the segmentation data is viewed, stores in the western states reported a peak in the 'Quality of Diving' at almost 60%, followed by the facilities available at the destination (41%). For these same western states retailers, price actually drops to number three (29%) indicating that perhaps retailers are able to sell more expensive dive travel trips in their stores as compared to the rest of the U.S. This conclusion is supported by the results of Q11a which indicated that the average price of dive trips outside the U.S. was highest among the western region versus the central and eastern regions.

[RETURN TO TABLE OF CONTENTS](#)

Q14. Based on your experience what could dive resorts do to help you sell more Travel?

Labels	Overall %	West %	Central %	East %
Provide More Information/Brochures to Stores	16.7%	20.0%	13.3%	23.3%
Provide Consistent and Improved Customer Services	3.3%	20.0%	20.0%	10.0%
Offer Better Comp Ratios/Lower Airfares & Rates	11.7%	13.3%	13.3%	10.0%
Provide Videos to Dive Shops	11.7%	13.3%	20.0%	6.7%
Provide More FAM Trips (for instructors)	11.7%	13.3%	6.7%	13.3%
Increase Commission/Incentives	8.3%	6.7%	6.7%	16.7%
Advertise More in general (diving & non-diving)	6.7%	6.7%	6.7%	6.7%
Offer More Dive & All Inclusive Packages	6.7%	6.7%	6.7%	10.0%
Less Direct-Dealing with Customers/Wholesalers	6.7%	6.7%	13.3%	3.3%
Provide Activities for Non-Divers	5.0%	6.7%	0.0%	6.7%
Other	5.0%	0.0%	0.0%	10.0%
Base	60	15	15	30

Conclusions

When retailers were asked how resorts could help them sell more dive travel, the number one response was for resorts to provide retailers with more information or brochures about the destination and resort. Clearly, retailers need more information about a given resort, not only to decide on booking the trip, but also to sell the trip to their customers. The number two response was for resorts to provide better customer services. This response encompasses several issues, but all primarily dealt with how the retailer and their customers were treated by the resort and their staff. If the retailer and their customers had a good experience, the retailer is much more likely to book and fill another trip to that same resort. This response shows how critical each phase of group dive travel is, from the telephone reservation to the last day of diving. The segmentation chart shows how several of the responses have more or less significance to the retailers in each region. However, as the segmentation data is based upon a very limited number of responses, the regional data should be viewed for reference only.

[RETURN TO TABLE OF CONTENTS](#)

Section C. Dive Retailer Analysis

Q5. How often does a store representative attend the DEMA show?

Labels	Overall %	West %	Central %	East %
Each Year	77.0%	70.8%	73.9%	81.1%
Every Other Year	12.0%	8.3%	17.4%	11.3%
Never	5.0%	4.2%	0.0%	7.5%
Every Third Year	2.0%	8.3%	0.0%	0.0%
Every Five Years	2.0%	4.2%	4.3%	0.0%
Quit Going	1.0%	4.2%	0.0%	0.0%
Not In Recent Years	1.0%	0.0%	4.3%	0.0%
Base	100	24	23	53

Conclusions

Clearly, the majority (77%) of all dive retailers attend the DEMA show each year. As identified in the table, a slight increase in attendance is observed among the eastern

states (81%).

[RETURN TO TABLE OF CONTENTS](#)

Q6. What is your primary form of retail advertising now?

Labels	Overall %	West %	Central %	East %
Yellow Pages	36.0%	41.7%	34.8%	34.0%
Word of Mouth/Referrals	27.0%	29.2%	17.4%	30.2%
Mail/Newsletters	26.0%	33.3%	26.1%	22.6%
Newspapers	17.0%	12.5%	26.1%	15.1%
TV	9.0%	12.5%	8.7%	11.3%
Radio	9.0%	4.2%	17.4%	11.3%
Magazines	3.0%	0.0%	0.0%	5.7%
Signage/billboards	2.0%	0.0%	0.0%	1.9%
Brochures	1.0%	0.0%	0.0%	1.9%
Agents	1.0%	0.0%	4.3%	1.9%
Base	100	24	23	53

Conclusions

As illustrated, the number one overall method of advertising is the Yellow Pages (36%), with referrals composing the second largest form of advertising (27%). However, if expenditures are analyzed, then the top two become the Yellow Pages and the retailers' mailing or newsletter programs. This second expense, mail or store newsletters, peaks with retailers in the western states at 33%. The fact that retailers responded that mailouts are their second largest advertising expenditure would seem to lend further credibility to the need for product flyers, brochures or reprints from manufacturers or travel destination/resorts.

[RETURN TO TABLE OF CONTENTS](#)

Q8. What is your store's yearly advertising budget?

Labels	Overall %	West %	Central %	East %
\$6,000 or Less	45.5%	38.9%	57.9%	42.5%
\$6,100 to \$12,000	19.5%	16.7%	15.8%	22.5%
\$12,100 to \$24,000	16.9%	11.1%	10.5%	22.5%
\$24,100 to \$48,000	13.0%	22.2%	10.5%	10.0%
\$48,100 or More	5.2%	11.1%	5.3%	2.5%
Mean	\$15,129.87	\$19,677.78	\$12,915.79	\$14,135.00
Base	77	18	19	40

Conclusions

Nearly 46% of all retailers spend \$500 or less per month on advertising their stores. However, the average advertising expense is \$15,130 per year or \$1,260.82 per month on advertising. This indicates large variability in the size of diver stores' advertising budgets. A significant difference in the average response is identified among retailers in the western states (\$19,678), with stores in the central states reporting the least (\$12,916).

[RETURN TO TABLE OF CONTENTS](#)

Q15. What is your store's average yearly gross sales?

Labels	Overall %	West %	Central %	East %
Less Than \$150k	32.1%	20.0%	55.0%	26.8%
\$151k - \$300k	25.9%	30.0%	20.0%	26.8%
\$301k - \$500k	18.5%	15.0%	10.0%	24.4%
More Than \$1 Million	16.0%	25.0%	10.0%	14.6%
\$501k - \$999k	7.4%	10.0%	5.0%	7.3%
Mean	\$457,925.93	\$528,750.00	\$342,500.00	\$479,682.93
Base	81	20	20	41

Conclusions

The overall gross average of all retailers is roughly \$458,000, with the highest gross reported from stores in the western states at approximately \$529,000. The lowest reported average gross revenues were reported among stores in the central states, roughly \$343,000. Although the mean gross income is over \$450,000, a large percentage (32%) of all retailers have gross incomes of less than \$150,000.

[RETURN TO TABLE OF CONTENTS](#)

VII. Derived Dive Industry Analysis Section

Introduction: This section involves analyzing data from the previous questions and responses. All data is derived from this study, unless otherwise noted. The only exceptions are extracts of data from the previously mentioned UNEXSO consumer study.

Section A. Total Estimated Consumer Expenditures in U.S. Dive Retailers

This estimate is derived by multiplying the average gross income stated by retailers by the number of U.S. dive retailers.

Total Estimated U.S. Retail Revenues:

Gross Sales Reported in Q15	\$457,925.93
Multiplied by the Estimated Number of Retailers	2,250.00
Total Retailer Sales	\$1,030,333,342.50

Notes: The number of dive retailers is derived from a count of all dive retailers listed in the Business Pages and consumer Yellow Pages of every city's phone book throughout the continental United States plus Alaska and Hawaii. Approximately 7% of all stores were removed, accounting for boat docks, general sporting good stores and other non-bona-fide retailers. This list is known to be the most comprehensive dive retailer list available, as it relies on telephone book listings, rather than certification agency listings.

The above number, one billion dollars, is very close to what PADI, DEMA and others in the past have estimated for the diving industry. However, this figure does not take into account any non-retailers sales, such as mail-order, travel agent, dive travel wholesaler or resort-based retail sales. As will be shown, this one billion dollar figure represents only diving-related expenditures generated through all U.S. dive retailers, and not the entire industry's revenues.

[RETURN TO TABLE OF CONTENTS](#)

Section B. Retailer-Generated International Dive Travel Market Synopsis and Analysis

This study collected the average number of trips, travelers and average trip prices booked each year by dive retailers. When this data is applied to the entire market, the total number of international dive travelers and their associated dollar volume expenditures can be derived. These calculations are as follows, with each question referenced for source data:

International Yearly Market Analysis (some numbers are rounded for display purposes)

Average Number International Trips from Q9a	5.1
Average Size of International Trips from Q10a	14.4
Average Cost International Trips from Q11a	\$1,351.97
Number of Retailers Selling International Travel from Q9a (2,250 retailers multiplied by the number that sell international dive travel or 75%)	1,687.5
Combined Analysis: Total Projected Number of International Trips (Number of trips, times the number of retailers selling international dive travel)	8,606.3
Average Number of International Travelers per Retailer (The average number of travelers per retailer that book international travel, of the 75% that sell international travel)	73.4
Projected Number of Total Travelers (Number of trips, times the average trip size, times the number of retailers selling international dive travel)	123,930
Projected Dollar Revenues in International Travel (Number of international travelers, times the average international trip cost)	\$167,549,642.10

Notes: The above \$168 million represents the total dollar expenditures of all international dive travel. However, most of this number is paid out by the retailer (either directly or collected on behalf) for airfares, hotels and resort diving fees. This number does represent an estimate for the total international dive travel expenditures within all U.S. retailers by diving consumers. As pointed out, this \$168 million figure does not represent any bookings by consumers with travel agents, wholesalers or direct with the resorts.

[RETURN TO TABLE OF CONTENTS](#)

Section C. Retailer-Generated National Dive Travel Market Synopsis and Analysis

Just as the international figures can be determined, in the same way the total retailer-generated national dive travel market can also be determined. Again, when the average number of national dive trip bookings, trip sizes and trip prices are analyzed for national travel, the total retailer-booked national dive travel market can be estimated. These calculations are as follows, with each question referenced for source data:

National Market Analysis (some numbers are rounded for display purposes)	
Average Number National Trips from Q9b	21.1
Average Size of National Trips from Q10b	19.2
Average Cost National Trips from Q11b	\$269.57
Number of Retailers Selling National Travel from Q9b (2,250 retailers multiplied times the number that sell national dive travel or 72%)	1,620
Combined Analysis: Total Projected Number of National Trips (Number of trips, times the number of retailers selling national dive travel)	34,182
Average Number of National Travelers per Retailer (The average number of travelers per retailer that book national travel, of the 72% that sell national travel)	405.1
Projected Number of Total Travelers (Number of national trips, times the average national trip size, times the number of retailers selling national dive travel)	656,294.4
Projected Dollar Revenues in National Travel (Number of national travelers, times the average national trip cost)	\$176,917,281.41

Notes: National travel would be any trip where the retailer charges for diving, whether it be a one day trip (i.e. boat

charters) or a multiple day dive trip (i.e. Florida Keys trips). The above \$177 million represents the total dollar expenditures of all national dive travel. Again, as stated, most of this figure is paid out by the retailer (either directly or collected on behalf) for airfares, hotels and resort or boat diving fees. As pointed out, this figure does not represent any bookings by consumers with travel agents, wholesalers or direct with the resorts or boat operations.

[RETURN TO TABLE OF CONTENTS](#)

Section D. Combined Dive Travel Market Synopsis and Analysis

Once both the total retailer-generated international and national markets are known, a total combined expenditure figure can be derived. These calculations are as follows, with each question referenced for source data:

Total Market Analysis (some numbers are rounded for display purposes)	
Total Combined Number of Trips Combined from Q9a & Q9b	26.2
Total Combined Average Trip Sizes from Q10a & 10b	33.6
Total Combined Trip Cost from Q11a & 11b	\$1,621.54
Combined Analysis:	
Total Combined Number of Projected Trips (Total number of international trips from Section B plus the total number of national trips from Section C)	42,788.3
Average Number of National Travelers per Retailer (The average number of travelers per retailer that book international trips from Section B plus the average number that book national trips from Section C)	478.5
Projected Number of Total Travelers (Total number of international travelers from Section B plus the total number of national travelers from Section C)	780,224.4
Projected Dollar Revenues in Total Dive Retail Travel (Total dollar volume in international travel from Section B plus the total dollar volume in national travel from Section C)	\$344,466,923.51

Notes: As illustrated, the total estimated dollar amount for dive travel expenditures in all U.S. retailers is nearly \$345 million. Again, this figure does not account for any non-retailer bookings in any form, just the total amount spent through dive retailers each year by diving consumers.

[RETURN TO TABLE OF CONTENTS](#)

Section E. Total Dive Travel Industry Expenditures

The previous four sections involved tabulations and calculations of data collected from this study. From this data, the total numbers in dive travel (bookings, group sizes and dollar expenditures) have been limited to those customers that choose to use a retailer to book their dive travel. Therefore, our picture or window we have been viewing only allows us to see a very limited picture or part of the actual 'dive travel world'. To determine the size of the entire dive travel market, for both retailer and non-retailer bookings, one would need to know the total number of active consumers traveling, and the average trip price. If this was known, the two numbers could be simply multiplied together to arrive at the answer. However, one element is missing; an accurate count of the total number of active traveling dive consumers. But, if we knew what percent of all traveling consumers booked through a single source (i.e. the retailer) and we had a rough idea of the average trip booking information (price, number of travelers, number of trips, etc.) we could then accurately estimate the total market. Since there are a very measurable, finite number of dive retailers, and we know how many sell dive travel and at what cost and booking level, we only need to know what percentage of all traveling consumers book through the retailer, then the entire market could be calculated.

Fortunately, the Cline Group conducted a study for the Underwater Explorers Society (UNEXSO) in the Fall of 1992, and one of the questions asked this precise question. Thanks to special permission from John Englander, President of UNEXSO, this data has been authorized for reprint in this report. The UNEXSO consumer dive travel study is the most comprehensive dive travel study ever conducted in the recent years within the diving industry. The actual study involved mailing 10,000 surveys to consumers that were subscribers of diving magazines. One thousand completed surveys were tabulated. This study is unique in that it utilized multiple publications' subscriber bases, therefore allowing an accuracy unparalleled to date. The exact question we will use for this analysis dealt specifically with how consumers booked their dive travel. The question and the associated responses are as follows:

Q. How did you make your reservations for your last dive vacation?

Travel Agent	35.8%
Retailer	20.4%
Direct w/operator	17.8%
Direct w/hotel	14.4%
Other	11.6%
Total	100.0%
base: 978 consumers	

Notes: As indicated, 20.4% of all diving consumers book their travel through the dive retailer. Therefore, it can be said that the dive trip information calculated from this retailer study only represent 20.4% of the entire dive travel market. Based upon this number (20.4%), the actual size of the entire dive travel market can be calculated by dividing the percentage that book their travel through the retailer by the actual dollar volume that book dive travel through the retailer:

Combined Analysis:	
Projected Dollar Revenues in Total Dive Retail Travel (From Section D)	\$344,466,923.51
Percentage of Consumers that Book Dive Travel Through Retailers (From the above UNEXSO study excerpt)	20.4%
Total Estimated Dive Travel Industry (Total dive retailer travel revenues divided by the percentage that book travel through retailers)	\$1,688,563,350.53

Notes: As illustrated, by dividing the total dive retail generated dive travel dollar volume (\$344,466,923.51 from Section D) by the average percentage of diving consumers that book their travel through the retailer (20.4% from the UNEXSO study), the total dive travel industry can be estimated at almost \$1.7 billion. This \$1.7 billion figure includes all forms of bookings, including the percentage that book with dive retailers. As a result of knowing the percentage of consumers that book through retailers and the entire dive travel industry's size, other booking methods can then be calculated as follows:

Total Dive Travel Expenditure Estimation		
Booking Source Percent of Market Equivalent Dollar Volume		
Travel Agent	35.8%	\$604,505,679.49
Retailer	20.4%	\$344,466,923.51
Direct w/operator	17.8%	\$300,564,276.39
Direct w/hotel	14.4%	\$243,153,122.48
Other	11.6%	\$195,873,348.66
Total Market	100.0%	\$1,688,563,350.53

Note: This table assumes that the same average dollar expenditures are spent on travel booked through other sources as are booked through dive retailers. Actual Market Distribution By Type of Travel Once the actual total dive travel dollar volumes are calculated, both the national and international markets can be estimated based upon the data collected in this study:

Type of Travel Dollar Volume Generated Through Retailers Possible

Projected Percentages of Whole Market

International (From Section B)	48.6%	\$167,549,642.10
National (From Section C)	51.4%	\$176,917,281.41
Total (From Section D)	100%	\$344,466,923.51

Notes: According to the above estimations, the total \$1.7 billion dive travel market could potentially breakdown almost evenly between national and international travel. This assumes that the retail purchasing environment reflects the entire market as a whole. If that is the case, then the above percentages could be assumed to accurately reflect the actual dollar volume breakdown for all dive travel.

[RETURN TO TABLE OF CONTENTS](#)

Section F. Total Number of Industry Travelers

Again, once the actual percentage of people that book travel through the dive retail is known (20.4%), aside from dollar volumes, the total number of travelers can also be calculated by using the data collected from the retailers as follows:

Total Number of Travelers Estimation Booking Source

Percent of Market Equivalent Traveler Volume

Travel Agent	35.8%	1,369,217
Retailer	20.4%	780,224
Direct w/operator	17.8%	680,784
Direct w/hotel	14.4%	550,747
Other	11.6%	443,657
Total Travelers	100.0%	3,824,629

Note: Again, this table assumes that the same average number of travelers are booked through other sources as are booked through dive retailers. Notes: Again, by using the known percentage of all diving consumers that book travel through dive retailers, and then surveying retailers as asking how many people they book each year on trips, the total number of travelers can be derived. As indicated, this study found that approximately 780,000 consumers use dive retailers for booking dive travel (from Section D). If this number is divided by the percentage that book dive travel through retailers (20.4%), a total dive travel market of slightly over 3.8 million travelers can be estimated. Actual Market Distribution By Type of Travel The total number of dive consumers could potentially breakdown as follows, based upon the data collected in this study:

Type of Travel Total Number of Travelers That Book Through Retailers Section

International (From Section B)	15.9%	123,930.0
National (From Section C)	84.1%	656,294.4
Total (From Section D)	100%	780,224.4

Notes: According to the above estimations, the 3.8 million dive travelers could potentially breakdown with 16% of all travelers taking international trips and the remaining 84% composing national trips. This assumes that the retail booking environment reflects the entire market as a whole. If that is the case, then the above percentages could be assumed to accurately reflect the actual dive travel market breakdowns. The national trips above would include daily boat charters, weekend inland trips or any other national trips paid for through the retailer.

[RETURN TO TABLE OF CONTENTS](#)

Section G. Total Diving Industry Expenditure Estimation

Once the total dollar volume for dive travel can be calculated, and the exact percentage and dollar volume of travel booked through retailers is known, then the total U.S. diving industry can be estimated as follows:

Retailers Gross Sales (From Section A)	\$1,030,333,342.50
Less Retailers Total Travel (From Section D)	(\$344,466,923.51)

All Retailer Sales Less Travel (Total gross sales less retailer dive travel expenditures)	28.9%	\$658,866,418.99
Total Calculated Industry Travel Size (From Section E)	71.1%	\$1,688,563,350.53
Total Adjusted Industry Size (Total retail sales plus estimated total travel dollar expenditures)	100.0%	\$2,374,429,769.52

Notes: The total industry size is estimated by adding the retailer's total sales, minus retailer-generated travel sales, plus the total dive travel industry sales. This estimated \$2.4 billion number does not include non-retailer dive equipment sales, non-retailer affiliated instruction revenues or retail sales that take place at a resort. Although it is not exactly known, all other sales are estimated not to exceed \$100 to \$150 million for these other types of sales. However, since this additional amount of expenditures are unknown, the figure of \$2.4 billion is a logical total estimation for the entire dive industry expenditures.

ALL DATA AND TEXT COPYRIGHTED 1997, ALL RIGHTS RESERVED, CLINE GROUP REPRODUCTION, IN ANY FORM, STRICTLY PROHIBITED WITHOUT WRITTEN CONSENT OF THE PUBLISHER. COPIES OF THIS REPORT ARE AVAILABLE FROM CLINE GROUP, 2530 BIG HORN, RICHARDSON TX 75080, 972-644-5992. VIII. APPENDIX: DIVE RETAILER TELE-SURVEY QUESTIONNAIRE.

[RETURN TO TABLE OF CONTENTS](#)

U.S. Retailer Questionnaire

Telephone Script Hello, this is (_____) may I please speak with the store manager or owner? (acting store manager for the moment is OK) Hello, this is (______). I am with the Cline Research Group in Dallas, conducting a study of dive retailers. This is not a sales call, and the survey should only take about 3 minutes of your time. Survey #_____ 'Hello, this is (____), may I please speak with the store manager? Hello, this is (____). I am with the Cline Research Group in Dallas, conducting a diving retailer study, the survey is very brief and will only take about 5 minutes. May I begin? The first few questions relate to dive manufacturers.

1. As a diving retailer, approximately how many different major diving manufacturers does your store stock on a regular basis? _____
2. Which major manufacturer do you sell the most of? _____
3. What percentage of your customers come into your store with a certain manufacturer in mind before they purchase? _____%
4. As a dive retailer, how could diving manufacturers help you increase your store's sales?
 (a) _____
 (b) _____
 (c) _____
5. How often does a store representative attend the DEMA show? () Yearly () Every other year (2) or () _____(3)
6. What is your primary form of retail advertising now? () Yellow pages (1) () Newspapers (2) () Mail/Newsletter (3) () Other _____ (4)
8. What is your store's yearly advertising budget? \$_____ The last few questions relate to dive travel.
9. (a.) How many dive trips outside the US does your store sponsor annually? _____ (b.) How many within the US? _____

10a. What is the average size of your dive trips outside the US _____ (B) Within the US _____

11. What's the average price of your dive trips ..Outside the US? \$ _____ (B) Inside the US? \$ _____.

12. Who do you book your trips through? () Travel Agents (1) () Dive Wholesalers (2) () Book direct with resorts (3) () Other _____ (4)

13 What is the most influential factor in choosing a destination for group dive trips? () Commissions (1) () Overall price (2) () Facilities (3) () Quality of diving (4) Accessibility/Airlift (5) () Promotional brochures (6) () Advertising (7) () Other _____ (8)

14. Based on your experience what could dive resorts do to help you sell more Travel?

15. What is your store's average yearly gross sales? \$ _____.

[RETURN TO TABLE OF CONTENTS](#)

IX. Appendix: Cline Group Corporate Profile & Client List

CLINE GROUP Corporate Profile: CLINE GROUP is a Dallas, Texas based corporation specializing in market research, advertising and consulting services. Markets of special interest and expertise includes tourism and travel markets in the Caribbean and 'Or niche' or unique markets including adventure travel, eco-travel, and the scuba industry. The CLINE GROUP was founded in Dallas, Texas in 1990, with the intent of providing tourism based market consulting, research and advertising services to clients mostly based within the recreational scuba diving industry and related travel or sporting markets. Corporate direction is serving as a full-service market consulting, research and advertising company specializing in tourism or sports industries accounts.

Diving industry related market research clients the CLINE GROUP has or is currently servicing includes most of the major watersports-related destinations in the Caribbean and major corporate entities within the diving industry. Listed is a recent client and project summary, related specifically to consumer and industry positioning and product research:

- CLIENT: WALL STREET JOURNAL
- CAYMAN ISLANDS DEPARTMENT OF TOURISM
- CAYMAN ISLANDS HOTEL ASSOCIATION
- CAYMAN ISLANDS RESTAURANT ASSOCIATION
- CAYMAN ISLANDS WATERSPORTS ASSOCIATION
- RODALE PRESS, INC.
- STUART COVE'S DIVE SOUTH OCEAN
- DEDICATED RESORTS RESORT
- UNEXSO
- DIVERS ALERT NETWORK/DUKE UNIVERSITY MEDICAL CENTER
- MASTERCARD/MBNA AMERICA/TRANS NATIONAL FINANCIAL SERVICES
- MASTERCARD CREDIT CARD SERVICES FOR THE DAN DIVERS CREDIT CARD
- SAND DOLLAR CONDOMINIUM & BEACH CLUB/SAND DOLLAR DIVE & PHOTO LOCATION
- DIVE PROVO/RAMADA TURQUOISE REEF RESORT
- SCUBAWARE RETAILING SOFTWARE

[RETURN TO TABLE OF CONTENTS](#)

X. Cline Group Additional Projects List

Other Projects Include: Bahamas Ministry of Tourism - CLINE GROUP provides advertising creative services for national print media advertising in diving related publications.

Rodale Press' SCUBA DIVING Magazine - CLINE GROUP was hired to handle all launch aspects for a new consumer magazine. Responsibilities included complete research, strategic launch planning, graphic design and trade show representation. Rodale also publishes BICYCLING, RUNNER'S WORLD, MEN'S HEALTH, BACKPACKER, PREVENTION and other national titles.

Bonaire Hotel and Tourist Association (BONHATA) - CLINE GROUP provided various FAM-related direct-mail services including design, list selection and mailings. Bonaire Marketing Association of North America (BONMANA) - CLINE GROUP provided various FAM-related direct-mail services including design, list selection and mailings. Bonaire Government, Tourism Corporation of Bonaire (TCB) - CLINE GROUP was hired to produce a multiple page guide, designed to increase group bookings among diving retailers and travel agents. Language translations are English, Spanish, German, and Dutch. Distribution will be international.

Dive Provo/Ramada Turquoise, Turks & Caicos - consumer research, marketing, brochure and advertising services.

Sand Dollar Resort/Sand Dollar Dive & Photo - Bonaire - consumer advertising, research, marketing and strategic mailing projects. Divers Alert Network/DAN - CLINE GROUP provides consumer research, marketing plan development and advertising services.

Pro Dive/Ft. Lauderdale, Florida - CLINE GROUP provided international consulting and professional contracting services for developing countries in South America. Projects include expanding instructor training programs into Brazil, Colombia, and Venezuela. Cayman Islands Hotel, Watersports and Restaurant Associations - CLINE GROUP provided an international, multi-destination competitive price comparison study. Stuart Cove's Dive South Ocean/Nassau, Bahamas - consumer research and strategic marketing planning. Times Mirror Publishing, Mosby Year Book Division - an international publishing company with newspaper, magazine and book printing divisions. CLINE GROUP provided market-specific consulting services. Projects included major publishing projects within the diving industry.

[RETURN TO TABLE OF CONTENTS](#)

CLINE GROUP 1993 DIVING INDUSTRY RESEARCH REPORT U.S. DIVING RETAILER STUDY © 1997,
ALL RIGHTS RESERVED, REPRODUCTION STRICTLY PROHIBITED
WITHOUT WRITTEN CONSENT OF CLINE GROUP.