



Business Team

Overview of findings to date

Market Size

2003 Recreational Boat Registries

- Canoes/Kayaks
- Wood 7,118
- Fiberglass 115,860
- Metal 124,839
- Inflatable 4,598
- Other 30,197
- Total 282,612

Market Size

U.S. Kayak Participants (in millions, ages 16 and up)

<u>Type</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
• Touring/sea	6.5	7.8	5.7
• Recreational/sit-on-tops	4.9	6.5	6.6
• Whitewater	2.6	3.9	1.8

Reasons why people Kayak

Enjoyment:

- It makes me feel I am in a different world
- I rediscover what really matters
- I escape in to a different world
- I get a new perspective on nature
- I feel closer to my friends
- I feel needed my the group
- To experience it is the only way to understand it

Reasons why people Kayak

Self Expression:

- It is fun
- It is a great thing to do with my friends
- It is something I pursue with my friends
- There is so much more I can do and learn
- I feel personally challenged
- Manageable risks that make a run difficult attract me
- I look forward to many challenges I haven't met yet

Reasons why people Kayak

Communication:

- There is strong camaraderie amongst paddlers
- There is a great closeness amongst paddlers

Addiction:

- It is a release, it relaxes me
- It is my way of letting tension out
- It's like an addiction
- My skills are appreciated by others

Reasons why people Kayak

Danger:

- The uncontrollable dangers attract me
- It scares the hell out of me
- It's such an incredible adrenaline rush

Competition:

- It allows me to be very competitive
- I like the people I meet paddling
- I make new friends through paddling

Kayak Knowledge

- Kayaks range from 6 to nearly 20 feet and cost from \$225 to \$3,000.
- Recreational: 9-12 feet long, wide enough to allow for activities like fishing, snorkeling and bird-watching.
- Sit-on-Top: for new paddlers and paddlers with long legs, large body size or limited flexibility, generally the least expensive.

Kayak Knowledge

- The two growing areas in the kayak market are fishing kayaks and the women's market. The technology to make lighter kayaks is bringing women into the sport. Currently almost 60% of the participants of the sport are male.
- According to the Outdoor Industrial Association: 9.9 million Americans 16 years of age or older lowered themselves into a kayak at least once in 2003.

Escape Kayak

Electric Touring Boat by Johnson Outdoors



Escape Kayak

Specs

- Length: 13'
- Beam: 3.7'
- Weight: 140 lbs.
- Capacity: 600+ lbs.
- Speed: 3-3.7 mph
- Run Time: Up to 8 hours
- Electrical: 12 volt
 - uses one or two batteries
- Warranty: 2 years
- SRP: \$2,499.00
- Exclusive Blunt Edge-T prop.
- Battery meter to check when its time to head to shore for a recharge.
- Motor lifts easily for docking, beaching and tailoring.

Escape Kayak

Accessories

- Portable Snack / Picnic Table
- Anchor
- Mooring Cover
- Sun Parasol
- Trailer

Other Johnson Outdoor Products

Electric

- Fun Boat
- Touring Boat (previously shown)
- Chaise Lounger
- Deck Boat

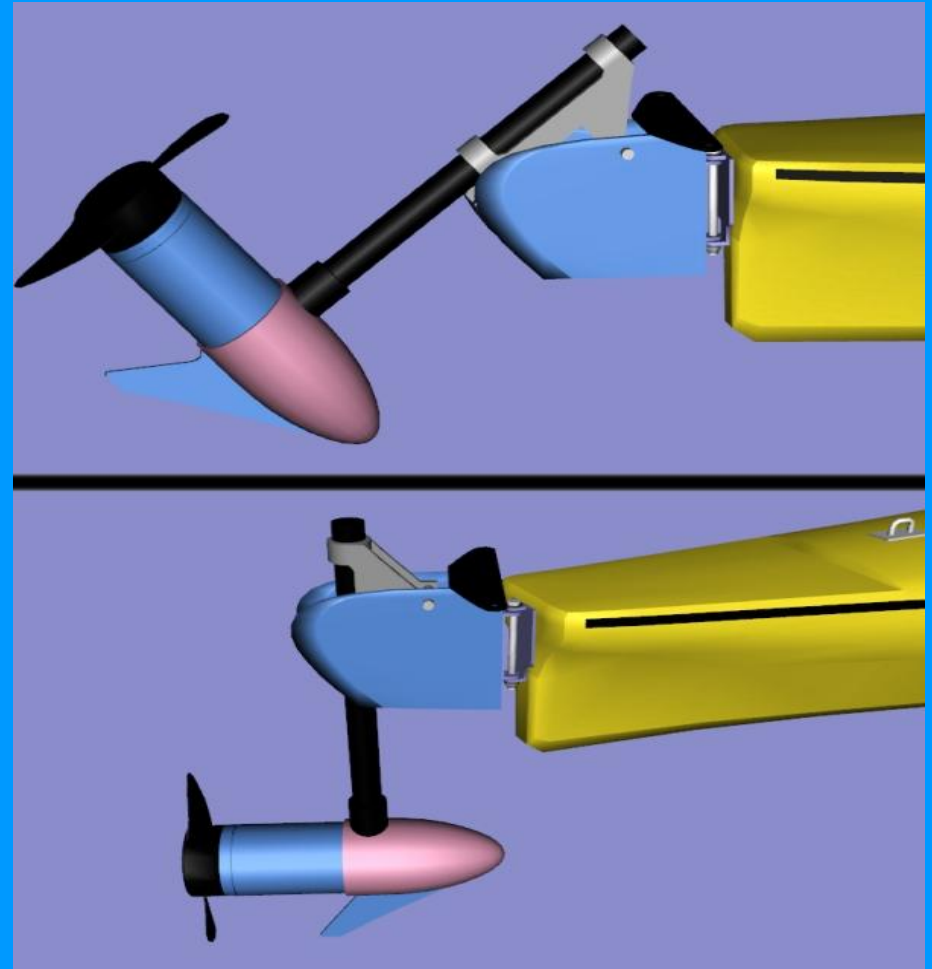
Non-Electric

- Pedal Boat
- Sailboat

Johnson Outdoors Video

- <http://www.escapewatercraft.com/video/escape.wmv>

Information on Forums



Information on Forums

- Been done to a Malibu 2
- Motor does not have to be centered
- Rudder mounts help steer
- Speed control done via a special attachment to foot paddle

Information on Forums

- Registration and extra taxes are needed in:

Arizona

Illinois

Iowa

Kansas

Minnesota

Nebraska

North Dakota

Ohio

Pennsylvania

Texas

South Carolina

Wyoming

Information on Forums

- Responses to money spent on Kayak accessories range from \$140 (basic Personal Floatation Device and Flare gun) to \$1,400.
- Accessories include: Compass, Maps, Water pump, Wrist lights, Boots, Dry-suit, Rescue knife, Gloves, Helmet, Waterproof radio, Paddles, Car top Racks, GPS, Dry-bags, and Spray skirts.

Information on Forums

- The kayakers with more accessories tended to live in the very north-east or very north-west of the United States.
- All were Males between the ages of 28-52.
- Kayaks used by individuals were sit-on-top singles and tandems, recreational singles, and touring singles.

Specs from Kayak Database

- No additional specs were found on the internet (length of hull, etc...)
- We are awaiting replies from personal emails and telephone calls to see if we can get them still

What's next

- Continued postings on Forums
- Group trip to downtown library for more market information
- Infomercial
- Finalize Name and Slogan soon

- Questions?

New Info Since Last presentation

- \$114,000,000 spent on kayaks
 - \$1200 spend on avg. over 2 years for apparel/equipment
- Breakdown on types of kayaks
 - Recreation 56%
 - Touring 34%
 - White Water 10%
- Kayak Market
 - 337,000 total kayaks, 77,000 are sit-on-top

New Info Since Last presentation

- Advertising Rates for Paddler Magazine
 - Top banner 468x60 (\$200/month)
 - Right side skyscraper 468x60 (\$200/month)
 - Left side button 118x118 (\$100/month)
 - Left side box listing 120x140 (\$200/month)
 - All ads 10% off with year contract
- Paddler magazine has over 40,000 unique visitors/month

New Info Since Last presentation

- Pay per click, avg. cost is \$0.016 per click
 - 100 clicks = \$1.60
 - 10,000 clicks = \$160.00
- Sit-On-Top Market Share estimates
 - Ocean 44%
 - Perception 4%
 - Cobra 18%
 - Wilderness 12%
 - Hobie 12%
 - Heritage 10%

New Info Since Last presentation

- Forum Summary
 - 32 replies, 4 were willing to have a power-assist
 - 3 willing to pay up to \$100, 1 willing to pay up to \$150
 - 15 where willing to drill holes, 9 didn't care how many would be drilled
 - “Putting a motor on a kayak is like putting a jet engine on a hot air balloon”
 - Hatches varied from round 8” – 12”. Some had 1 hatch, some had 2. (sit-on-top kayaks have smaller hatches than other types of kayaks)

New Info Since Last presentation

- What's up next?
 - Business plan – starts on April 4th
 - Research and get free/cheap advertising
 - Commission contracts/ pay per sale
 - Film/complete infomercial
 - Get the missing dimensions on the popular kayaks
 - Find/setup Distributor/Retailer w/ contract
 - Finalize advertising channels, then advertise
 - Update Webpage
 - Tie up loose ends
 - Practice the presentation

New Info Since Last presentation

- Struggles/Issues/Problems
 - Getting product knowledge to the public without much of an advertising budget
 - Must create and capture a target market (we have an idea on this but we have not reached them personally)
 - Pricing!!! (include battery or not, if consumers are only willing to spend \$100-150, how do we make a profit when motor alone cost \$100?)

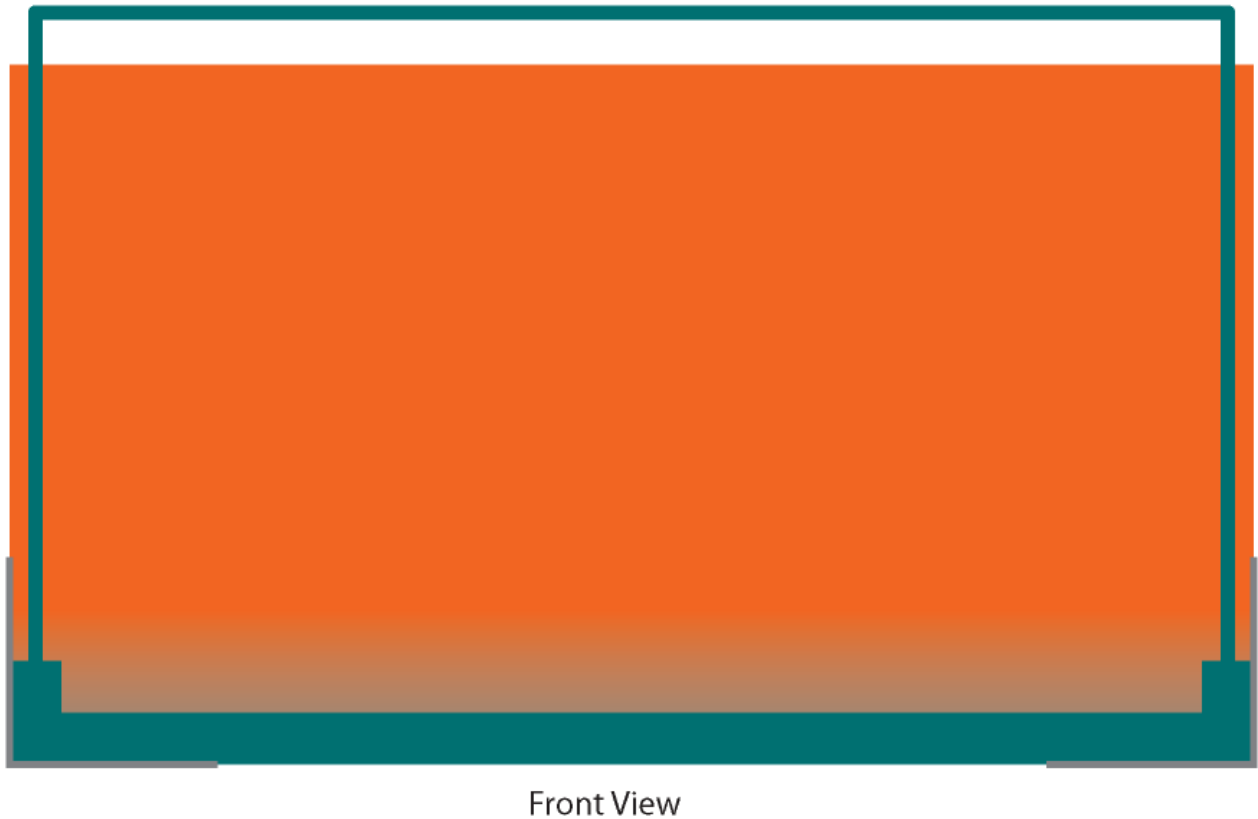
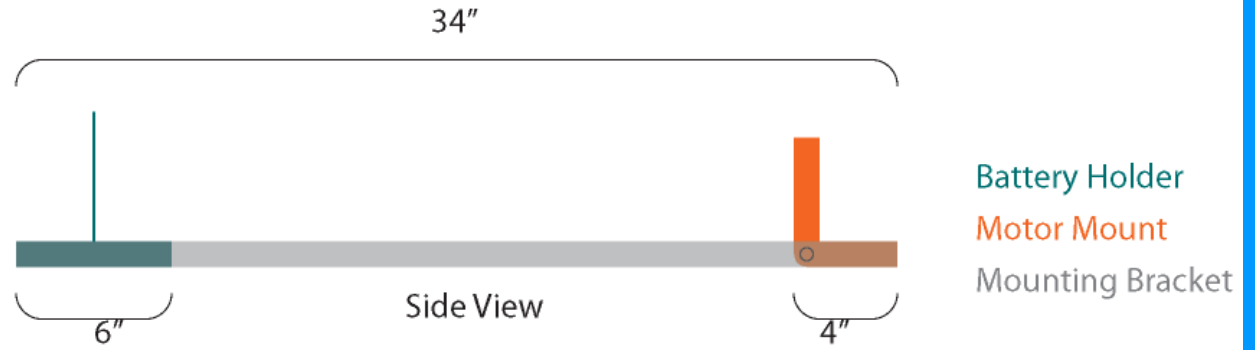
New Info Since Last presentation

- Struggles/Issues/Problems Cont'd
 - Will a distributor or retailer sell our product for us (are they willing to sacrifice shelving space on a brand new product)
 - Online sales only/retail only/both? (shipping required for customer for online; factory price instead of retail price at store...not being able to see it live is a disadvantage for online)
 - Will the weather ever turn to test and video tape the kayak?

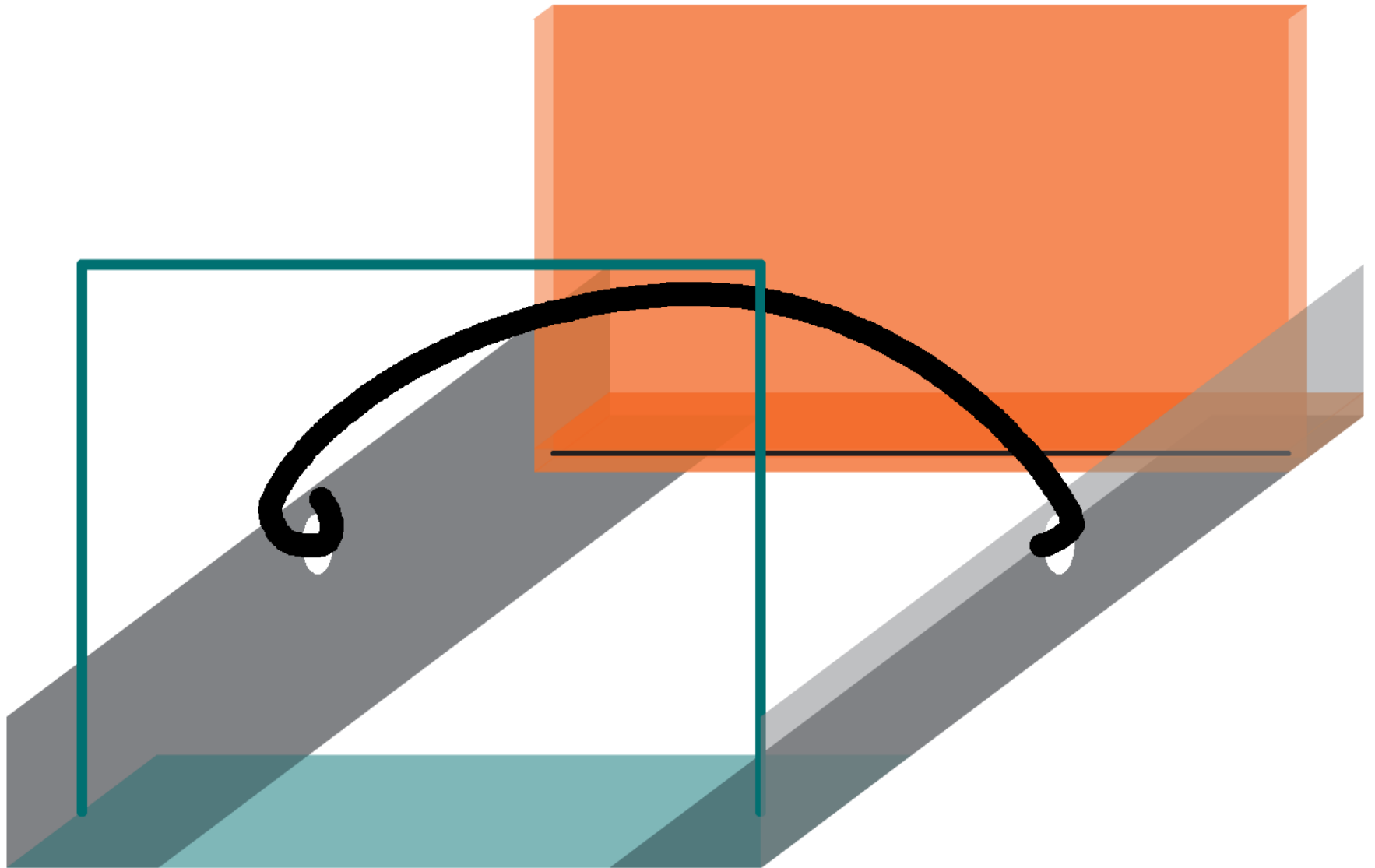
New Design Changes

- No battery, but provide tray for one on mount.
- Revert to old design with some modifications:
 - Shorter frame
 - Battery mount
 - Better hinge and trolling motor mounting board
 - Bungee to hold motor in “up” position

Conceptual Views



Conceptual View



Materials

- Aluminum Angle Brackets (similar to current prototype) [or some other shape?]
- Plastic battery trays are available for <\$10 to the consumer
- Polymer decking material for motor mounting board
- Aluminum/Stainless-Steel rod for hinge
- Bungee cord to hold motor in “up” position

Universal Design

- Design as is will be able to fit on any kayak with flat deck
 - Hobie Odyssey
 - Perception Lanakai



Other kayaks

- Will provide crossbars to mount frame over any concavities in the deck
 - Frame will have predrilled holes every few inches for crossbar mounting



Conclusion

- Providing a battery is an absurd idea. If the consumer is providing a trolling motor, he will presumably already have a battery for it, if not, he has the option to buy whatever battery he finds suitable – there are many marine deep-cells to choose from.
- The stability of the kayak is not compromised with the battery mounted on the rear deck.
- This design provides a strong, very simple mount that is mountable on many kayak models.

New Info Since Last presentation

- Struggles/Issues/Problems Cont'd
 - To reach the unbiased kayaker, where do we go/let them know we exist? Forums/Magazine articles are geared more-so to the hard core kayaker
 - We need to show that there is a need for a power-assist on a kayak. Something like this to our understanding, outside of a sail (you must have wind for it to work) has not really been marketed to consumers (Escape Kayak is the closest thing but that's still a different product)