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**“SAILING IN ITALIAN EXCELLENCE
THE DYNAMICS OF MARKETING
ITALIAN LUXURY YACHTS”**

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1. Introduction

The Italian Yachting industry was born centuries ago, but released worldwide with the first Genoa Boat Show held on January 27th 1962. This gave enormous development possibilities to the already certified Italian manufacturers, from the Azzurra Coast we had the Baglietto Shipyard, affirmed boat manufacturer that started in the 1860s from Varazze, Liguria and a very popular Carlo Riva with its newest innovated business model having a huge success in Europe. As the United States had Chris Craft Italy had Riva, and as they had Rybovich the Italian coast had Baglietto.

The Italian industry, renowned for its rich heritage and exceptional craftsmanship, holds a distinctive place in the global luxury market. This analysis delves into the historical factors that have cemented Italy's leadership in yacht manufacturing, highlighting a timeless commitment to intricate design and innovation. Iconic brands like Riva and Baglietto have not only created legendary designs but have also established benchmarks for luxury maritime craftsmanship, continuing to shape the evolution of modern yacht construction.

In the present day, the dynamics of the Italian luxury yacht market is the result of the old tradition and shaped by the fusion of traditional craftsmanship with contemporary marketing strategies. This study will explore how modern marketing approaches are seamlessly blended with the enduring values of yacht building to cater to the refined preferences of today's global clientele. The focus will center on understanding changes in consumer behavior and how Italian yacht brands leverage their storied legacy to elevate brand prestige and attract a discerning, niche audience.

Additionally, the research will examine the strategies employed by Italian yacht manufacturers to navigate the challenges of the international luxury market. Key areas of focus include the impact of digital marketing, participation in global boat shows, and the emphasis on tailored client experiences in strengthening brand identity and expanding their reach. The overarching aim is to uncover how these marketing efforts not only preserve Italy's legacy in luxury yacht craftsmanship but also foster innovation and deepen customer engagement in an increasingly

competitive industry. Currently, Italy leads the world in yacht production and exportation. The legacy of companies established in the early 20th century continues under their original names, highlighting Italy's leadership in this sector. The industry's growth fuels ongoing motivation and innovation, with companies striving to produce sustainable yachts that meet market demands.

2. The Luxury Yacht Market

The Italian yacht industry saw remarkable growth in 2022, with total revenue climbing from €6.11 billion in 2021 to €7.33 billion—a 20% increase. This expansion was primarily fueled by exports, which made up 67.9% of total sales, while the domestic market accounted for 32.1%. According to Marco Fortis, Director and Vice President of the Edison Foundation, Italy's success in this sector stems from its highly specialized production, covering everything from inflatable boats to luxury super-yachts.

Italy holds a dominant position in the super-yacht sector, defined as vessels over 24 meters in length. Of the approximately 1,500 super-yachts currently under construction worldwide, more than half are being built in Italian shipyards, including the world's top three shipbuilders. Italy's strong export performance is further highlighted by its commanding lead in the global yacht trade balance, with minimal imports.

The industry also makes a significant contribution to Italy's economy, with its share of GDP rising from 2.89‰ in 2021 to 3.23‰ in 2022. The sector's global appeal is driven by its blend of cutting-edge design, advanced technology, and high-quality materials. Additionally, innovations in sustainability, energy efficiency, and reduced CO2 emissions have played a crucial role in strengthening Italy's reputation in the international market.

Despite its global focus, the domestic market remains an important factor, with 88% of yacht production dedicated to exports and 12% remaining in Italy. The key markets for Italian yachts include the United States and the Cayman Islands, with other important locations such as Malta and Arab nations. However, these locations primarily reflect where the yachts are registered and moored rather than the nationalities of their buyers.

Beyond yacht manufacturing, the industry also supports a range of related sectors, including boat rentals, tourism, and maintenance services. This includes the management of high-value yachts and economic activities surrounding major ports and shipyards. Key Italian regions for yacht

production include La Spezia, Viareggio, and areas near Naples, each specializing in different aspects of construction.

Overall, while Italy's economy benefits from various industrial sectors, the yacht industry stands out for its economic impact at home and its leading role in the global market. It serves as a prime example of Italy's strength in specialized manufacturing and export-driven industries.

2.1 Market Size and Overview

The Yacht market is one of the biggest in size and possibilities especially in Italy and on the seaside of the country. Where not only yacht builders, but also maintenance as well as yacht hangars and ports. There are around 300 companies listed as yacht builders and holds more than 50% of the global super-yacht production, meaning boats 24m and more. Ferretti Group, Azimut-Benetti Group and Sanlorenzo are among the most famous worldwide.

Based on data published by Ferretti Group, it is a leading global player in the luxury yacht industry, holding a 15.8% market share in the composite and made-to-measure yacht segments. The company has 182 years of Italian heritage, with a portfolio of seven iconic brands, including Riva, Pershing, Ferretti Yachts, Custom Line, CRN, Wally, and Itama. In 2023, Ferretti Group reported €1.1 billion in revenue, marking an 11.5% year over year increase, and had an order backlog of €1.6 billion as of November 2024. The company has consistently maintained strong financial performance, with an adjusted EBITDA margin of 16%.

Brand Portfolio & Product Range

Ferretti Group's seven luxury yacht brands cater to a wide range of customers, from sport and leisure yachts to high-end superyachts:

- Riva – Provides real heritage within its company beliefs and adopted into the higher luxuries and innovations

- Pershing – High-performance yachts, are built with strong engines and high-tech propellers to give feeling of sport and luxury
- Ferretti Yachts – Elegant motor yachts, meant for families and long trips
- Custom Line – Tailor-made luxury yachts built with engineers and architects based on the clients needs and likes
- CRN – Biggest line of superyachts in the group. Highest line of luxury
- Wally – Innovative sailing and power yachts
- Itama – Open and performance yachts, mostly for the Italian and European market, although the new Itama 62 is meant for the American market allowing the company to explore and innovate along with the other companies in the group.

The group operates in multiple shipyards across Italy, including facilities in Forlì, La Spezia, Ancona, Ravenna, and Cattolica. The acquisition of Cantiere San Vitale in Ravenna has increased production capacity by 30%, supporting the company's growing demand. The company has also invested heavily in R&D, with over €170 million allocated between 2019 and 2023 to innovation, sustainability, and new yacht models.

2.2 Trends in consumer Demographics and Preferences

To analyze and understand consumers demographics and its shifts over the years, we must understand the demand from different generations. More and more younger buyers and millennials are entering the market. These consumers prioritize customization, technology, and sustainability. Ultra-High-Net-Worth Individuals (net worth of \$30M+) is driving demand for larger, more luxurious yachts, especially in North America, the Middle East, and Asia-Pacific. Moreover, there are first-time buyers where had been an increase particularly in regions like the United States, China, and the Middle East, fueled by rising wealth and post-pandemic luxury spending.

For preferences & Buying Trends we can list sustainability where demand for hybrid-electric yachts and eco-friendly materials is growing, solar panels, hydrogen fuel cells, and bio-based construction materials are gaining popularity. Customization & Personalization are a big role where consumers are opting for fully customized yachts, from interiors to technological features with convertible spaces, entertainment zones, and wellness-focused designs (gyms, spas) are increasingly in demand. With this comes also technology & connectivity integration of AI-powered yacht automation, smart controls, and high-speed satellite internet (ex. Starlink, which is already installed in many boats and demand is increasing as time goes by). Advanced security systems, remote monitoring, and self-docking capabilities are becoming standard with boats features.

In recent years has been developing the new trend of chartering yachts and shared ownership. Although this is a worldwide trademark now, it is really common and developed in southern part of Florida including the Caribbeans and Central America. Many younger and first-time buyers prefer chartering over ownership to experience different models before purchasing. Growth in fractional ownership models allows buyers to own a share of a yacht instead of full ownership.

3. Design

Italian yacht design is renowned for its mixture of innovation and artistry connected with the artisanship of architects and installers. At the heart of this legacy is the philosophy that every yacht begins with a blank canvas, where the owner's vision is meticulously transformed into reality. Drawing a yacht is not an easy task, there's lots more factors to understand and mix together in comparison to a house or a building for example. We need to understand that a 100ft boat has complicated systems like hydraulics, engines, electricity and water that need to work together to be as efficient as possible in terms of space and functionality. This commitment to customization and elegance is exemplified by CRN, a brand that has embodied the "yacht sartoriale" concept since its founding in 1963 .

Sanzio Nicolini, CRN's visionary founder, pioneered the use of steel and aluminum in yacht construction at a time when wood was the industry standard, setting a new course for modern yacht design . His innovative approach attracted attention from the entire industry, particularly from Italy, the French Riviera, Greece, and the Middle East, reinforcing Italy's status as a leader in the superyacht industry .

Over the decades, Italian yacht builders have continued to push boundaries, collaborating with international famous designers such as Jon Bannenberg, Gerhard Gilgenast, Terence Disdale, and François Zuretti, who helped define the aesthetic and functional excellence of Made in Italy yachts . The hallmark of Italian yacht design is its ability to balance simple luxurious style with high technical innovation, as seen in the sleek yet highly functional vessels produced by brands like CRN, Riva, and Ferretti Yachts .

Beyond aesthetics, Italy's yacht industry thrives on a blend of local craftsmanship and global ambition. The integration of CRN into the Ferretti Group in 1999 marked a turning point, strengthening its international presence while maintaining its roots in Ancona, a hub of superyacht and megayacht production . Today, after 60 years of excellence, CRN and Italy's

yacht manufacturers continue to shape the future of luxury yachting, upholding a tradition where design, innovation, and craftsmanship merge to create floating masterpieces.

As previously said, design in the motor yacht industry plays a key role in the selling and production of the boats. Within companies a key and common component is the philosophy of maximizing the available space structured to pleasure the owner's lifestyle onboard, but also allowing crew and captains to work on its behalf in the most efficient way and fast in case of emergency.

To make a short analysis we have to take into account that all the systems that allow the boat and its technologies to run, are also studied to allow a balance navigation of the boat. For example, a more sport-orientated boat that seeks performance and high speeds, would most likely have an harder accessible and smaller engine room as its shape has to be slim and light and also the size of its engines wouldn't allow to have a comfortable room (which would be bigger and more powerful than a cruise boat). On the other hand, if we look inside an engine room on a flybridge cruise boat, we can easily see a different design, more orientated towards a more accessible and bigger space to work on.

3.1 Innovation

The Italian yachting industry has continued to lead the global market through significant innovation and strategic advancements. In 2023, Italy retained its top position as the world's number one exporter in the shipbuilding sector, with a substantial portion of the global orders for superyachts. Italian shipyards like Ferretti Group, Sanlorenzo, and The Italian Sea Group have been pivotal in this achievement, with reported growths and expansions in various international markets, including Europe and the Middle East

Innovation in the Italian yacht market is not just limited to sales and export achievements. The industry has seen remarkable strides in sustainable practices as well. For instance, Sanlorenzo is

one of the pioneers in experimenting with hydrogenated vegetable oil (HVO) as a biofuel, reflecting a shift towards more environmentally friendly fuel alternatives.

Hydrotreated Vegetable Oil (HVO) is emerging as a promising eco-friendly alternative to traditional diesel, particularly in power generation applications. HVO is produced from renewable waste lipids, such as vegetable oils, tallow, or used cooking oil, undergoing a process that transforms these lipids into paraffinic hydrocarbons, resulting in a clean, low-carbon fuel. This process not only contributes to a significant reduction in carbon emissions but also aligns with global decarbonization goals. One of the key advantages of HVO is its compatibility with existing diesel engines, requiring no modifications to hardware or software. This compatibility facilitates a seamless transition for fleets of generator sets from diesel to HVO.

Opacmare, an hydraulic company (which we'll get more into later in the next chapter), is now producing its mechanisms with a sustainable and eco-friendly hydraulic oil. This Oil Green is biodegradable from a renewable source, which represents a valid alternative to hydraulic fluids based on mineral oils. This tells us how much the industry is revolving towards continuous innovation that aligns with sustainability and eco-friendly products, specially within the reality of the yacht industry being in direct contact with there marine ecosystems. The hydraulic systems are partially underwater, resulting in major leaks if damaged.

Moreover, Italian yachting excellence has been recognized through numerous awards and accolades, reflecting their mastery in design and craftsmanship. The high standards of Italian yachts are complemented by their ability to offer customized experiences, which continue to attract a global clientele. This is underpinned by a rich tradition of craftsmanship blended with cutting-edge technology and innovative designs that ensure they remain at the forefront of the luxury yachting industry.

3.2 Emerging Markets and Growth Opportunities

A huge step for the motor-yacht world is its opening towards the electric and sustainable market. As of now it is very inefficient the usage of electrical super yachts as the sizes and

weights of the boats are too much for the electrical world, but in the luxury market some steps have been made. Riva's introduction of the El-Iseo, a fully electric yacht, exemplifies this trend by blending traditional luxury with modern eco-friendly innovation. The El-Iseo offers impressive performance capabilities, including a top speed of 40 knots and a cruising range of up to 10 hours on a single charge, setting a new standard for electric marine propulsion.

Its design is meant to keep Riva's iconic lake style boat, but also innovates with advanced features like a digital helm and distinct drive modes, tailored for diverse boating experiences from leisurely lake excursions to serving as a superyacht tender. This transition to electric models addresses growing environmental concerns and regulatory pressures, particularly in Europe where emission restrictions are tightening. Riva's El-Iseo not only advances sustainable practices within the yachting industry, but also reinforces the brand's legacy of innovation and excellence. As the market for electric boats expands, such innovations are crucial for reducing the ecological footprint of maritime activities, paving the way for a more sustainable luxury boating experience. This boat was launched officially in 2023, enhancing Riva's philosophy and keeping its unique style.

This model isn't the first to be in the electric market, but definitely is the most promising and one of the first among the pioneers in the sector. Furthermore, within the yacht industry and in our today's market, fully electric products are far less than in the automotive industry. We often encounter fully electric cars and fast-charging stations often as frequent as gas stations. Unfortunately neither batteries within a yacht nor stations that may charge those batteries are being developed or may enter the market in the near future.

3.3 The World of Hydraulics and Domotics (Introduction)

All boats, of different sizes, use some kind of hydraulic system and domestics. The quality of the product have to be top level and with a continuous innovation. Why? Because within a boat, hydraulics and domestics, give life to mechanisms like steering, stabilizers, lift

systems and so on. This technology not only improves operational capacity but also contributes significantly to the advancement of boat design and functionality, ensuring vessels can meet the demands of diverse marine environments. When talking about the yacht and super-yacht industry we obviously have to take into matter that there would be a lot more of those products and in bigger sizes , but why is this relevant to the argument of marketing strategies of yachts?

To start off, we must analyze the importance and utility of these products. Innovative integration of domotics on yachts, emphasizes the evolution from monitoring technical equipment to intelligently controlling and integrating living comfort.

Cristiano Manfredini of Yachtica describes their approach to yacht automation with the term "automated living on board," which overlaps traditional domotics by focusing not just on equipment, but enhancing the overall living experience onboard. Yachtica's systems manage electrical setups and connected devices like lighting and automated blinds, choosing not to include entertainment systems as these are catered by other specialized companies.

This highlights the confusion in traditional views of domotics, which some still equate only with alarms or entertainment systems. Now advocates for a broader, more integrated definition that includes electronic and intelligent control of comfort. Looking ahead, Manfredini anticipates a future where automation extends deeply into both technical monitoring and enhancing the living environment, simplifying yacht construction and system installations by overcoming traditional wiring complexities.

On the other hand we have hydraulics systems that often go together with domestics. Most of the Italian manufacturers buy Italian domestics and hydraulics, making it easier with the systems and technical teams to have support on one another. This emphasizes that hydraulics systems are also innovating and expanding within its market.

Sector leaders like Opacmare spa started in the automotive business before heading into the yacht industry, bringing a faster and most efficient way in the production line and delivery times. Passerelles, Tender lifts, Automatic Doors, Electrical Ladders and so on... are all made within

the same company, but sold in different manners. This business is in continuous expansion especially in our modern days with this high demand of new efficient and futuristic ideas. To give an idea, Opacmare for example has made a drastic increase of € 8,000,000 between 2022 and 2023 (€ 43M in 2022 and € 51M in 2023) and by the interview we will later get into, is expected to hit a groundbreaking number in 2024 (Balance Sheet hasn't been released).

3.3.1. Opacmare spa - Marketing Interview

In this section I will analyze and explain an interview with Andrea Sacco Business Consultant for Opacmare spa. In this interview the questions that are going to be answered are as follows:

- What strategy(s) do you use to sell your products?
- How profitable is the foreign market for your company?
- How important/fundamental is innovation in your sector compared to your competitors?
- How much do your customers require sustainability in your products?

As previously mentioned, Opacmare spa started in the automotive business before heading into the yacht industry. What changed this company's perspective, coming from an artisan reality and automotive, was Perotti and Vitelli from Azimut. After their consultation with the Sacco family (owners of Opacmare) they decided to change their method and sector having this competitive advantage against its competitors, allowing the company to shift into an industry and leaving the automotive artisan world behind.

To start off, let's answer the first question regarding Opacmare's strategy: "The strategy that we use is mostly showcasing our products at boat shows, where we attend between 15 and 16 each year all over the world." This allows the company to showcase innovations where consumers and buyers can try hands-on the products at the shows. Major yacht builders often send their

technical and buyer teams to have meetings and study new products, therefore is very important for Opacmare to have their best and most prepared sellers that can list new products and innovations for new projects and also find within their catalogue, products that can adapt to ongoing projects. Furthermore, another strategy where Opacmare invests a lot are dealers and service teams that are spread through the world keeping the main company's philosophy and selling its products within local marinas for refits, and/or local yacht manufacturers to open a true production line. Newsletter, website and always updated catalogues are among their standard ongoing always updating projects.

Regarding the foreign market, Andrea said: "We are always aligned with the yacht industry, meaning that if 60% of the boats that sell the most are in Italy so is our 60% of our production orientated too." This showcases that although Opacmare diversifies within sectors, the nautical industry remains its strongest point. Also we must take one thing into account, as we encountered previously, most of the production of yachts is in Italy, therefore for Opacmare is highly strategical to keep contacts with builders within the countries. As of now, being leaders in this sector, they collaborate with all major Italian yacht builders (Ferretti Group, Azimut Group, Absolute etc...)

Innovation needs to be one of the key elements and where most of their funds go towards. To keep up with this market of always new technology and innovation, Opacmare has over 40+ just on their technical team that produce new projects or better off ongoing ones. Andrea in the interview gave me a hands on example: "In our last boat show, METS in Amsterdam, 17 of our 22 products that were showcased, were new patented products... new designs and innovations are what makes us leaders and why most companies invest in us." Based on this, we can easily deduct how orientated and driven this company is towards continuous innovation and seeking new patents for their product improving in efficiency and accessibility.

Finally, we got into the sustainability within its products. Rightfully Andrea mentions that this sector isn't sustainable orientated, but Opacmare's efforts are at its peak to become a more sustainable and low emissions company. Although their products do not emit CO₂, since they are

oil based and mostly electronic, their goal is to become more green within its industry. Andrea also mentions “We took a big step compared to our competitors in the green sector, starting from 2024 we only use our new Oil Green in our products, a more sustainable and eco-friendly hydraulic oil.” Let’s remember that most of the system is underwater, therefore an eventual leak, which may happen and be caused by many factors independent from the system, would cause a damage in the maritime ecosystem.

4. Marketing Strategies

To start off, we must understand that marketing in the luxury market is a highly sophisticated affair that reflects the customer's wants and needs based on consumer's lifestyle and aspirations, which are atypical compared to ordinary campaigns. This demographic seeks not just products but symbols of status and exclusive experiences, which necessitates a marketing approach that emphasizes the unique value and elite status of the brand. A big part of the marketing campaigns for yacht manufacturers is to keep portraying their history and heritage into the future. This story must resonate on an emotional level, portraying the products as not merely items to be owned but treasures that signify a particular class and style.

Personalization and customization play crucial roles in appealing to luxury consumers, who expect services and products that cater specifically to their tastes and desires. This level of personalization not only enhances the consumer's connection to the brand but also reinforces the exclusivity of their purchase. A strong online presence, managed through elegantly designed websites and carefully curated social media content, helps reach a global audience while maintaining the brand's luxurious profile.

The experience of luxury shopping is also significantly defined by customer service. The luxury consumer anticipates a seamless, high-touch experience that matches the premium nature of the products. This extends to all brand interactions, whether in-store or online, where every detail is meticulously managed to ensure it upholds the brand's high standards. Strong connections and collaborations with other luxurious worlds intensifies the brands will to maintain high profile and high end costumers.

Moreover, the use of influencers and brand ambassadors can amplify a luxury brand's reach and authenticity. Additionally, the growing trend towards sustainability in the luxury sector cannot be overlooked. Today's luxury consumers are increasingly conscious of the environmental and ethical implications of their purchases. Brands that successfully communicate their commitment to sustainable practices are likely to gain favor with environmentally conscious consumers.

Finally, exclusive events and bespoke experiences remain a staple in luxury brand marketing, creating an aura of exclusivity and offering consumers a tangible taste of the luxury lifestyle. Such events provide an opportunity for brands to forge deeper connections with their clientele, enveloping them in the brand's world and reinforcing their loyalty.

In essence, a successful luxury marketing strategy must weave together a narrative of exclusivity and exceptional quality while embracing modern marketing techniques to engage a discerning clientele on multiple fronts.

4.1 Azimut Industrialization

The Azimut-Benetti Group, renowned for its leadership in the luxury yacht industry, continues to dominate the global market for yachts over 24 meters, as evidenced by its top position in the Global Order Book. This annual ranking, curated by Boat International, analyzes data from 177 shipyards across five continents, highlighting Azimut|Benetti's substantial market share, which includes 167 yachts totaling 6,014 meters, representing 14% of the global market.

Why is Azimut so efficient and one of the leaders in this sector in production? Paolo Vitelli, Azimut's founder whom sadly passed away December 31st of 2024, had a visionary mentality. Marking the production of boats forever. Implementing the automotive's philosophy into the boating industry. Based on the annual ranking, curated by Boat International, analyzes data from 177 shipyards across five continents, highlighting Azimut-Benetti's substantial market share, which includes 167 yachts totaling 6,014 meters, representing 14% of the global market.

In 2024, the group was recognized not only for the number of units under construction but also for the total length of its projects, confirming its prowess with record-breaking financial results for the fiscal year ending August 31, 2023. These included a production value growth of over 23% from the previous year and a 50% increase in gross operating margin (EBITDA).

The group's commitment to environmental sustainability is also noteworthy. Azimut-Benetti has dedicated its R&D office for decades to developing solutions that minimize environmental impact. This commitment has led to significant achievements in reducing CO2 emissions and the pioneering use of HVO biofuel in the sector. Furthermore, the group is advocating for the development of a public index to measure yacht efficiency, emphasizing its commitment to sustainability.

The group's strategic plan includes the evolution of its product line towards greater design innovation and sustainability, and the expansion of its service hubs through brands like Lusben and Yachtique. This strategy not only aims to support yacht owners throughout their ownership experience but also ensures the group's continued leadership in the superyacht sector.

Moreover, Azimut-Benetti is expanding its service capabilities, including a significant investment in the Lusben shipyard to accommodate yachts over 100 meters, positioning it among the top three players in the Mediterranean for superyacht refitting.

The group also values talent development, as evidenced by the establishment of the Azimut-Benetti Group Corporate Academy. This initiative is aimed at nurturing professional growth among its 2,400 direct employees and fostering employment within the nautical industry through comprehensive training programs and collaborations with educational institutions.

Azimut-Benetti's approach to marketing and branding revolves around these core strengths—heritage, innovation, sustainability, and comprehensive customer service—making it a formidable leader in the luxury yacht industry.

4.2 Pricing Strategies

Manufacturers and re-sellers employ various pricing strategies to align with market conditions, maximizing returns, and attracting the right buyers. There are several different

pricing strategies that can be derived from the understanding of yacht valuation factors, market analysis, and the nuances of yacht sales:

- 1. Cost-Based Pricing:** This strategy involves calculating the total cost of manufacturing or refurbishing a yacht and adding a profit margin. It considers the expenses related to materials, labor, and overheads, ensuring that all costs are covered and a profit is made. It is also accounted within this sum the costs of warranty labor that can be made on the boat. Let's not forget that boats are meant to go on water, therefore there are lots of variables that can go against a boats correct management and design.
- 2. Value-Based Pricing:** Yachts are priced based on perceived value, which can include brand prestige, design exclusivity, and luxury features. High-end brands like Azimut, Riva, Pershing may use this strategy to set higher prices due to their market reputation and the quality of their offerings. These brands have been among the founders of the industry and are still at the very top of the industry.
- 3. Competitive Pricing:** This involves setting prices in comparison to similar yachts in the market. Manufacturers and sellers assess the pricing landscape of comparable models, adjusting their prices to stay competitive while striving to offer additional value through unique features or superior craftsmanship.
- 4. Dynamic Pricing:** Prices are adjusted based on real-time market demand, seasonality, and other external factors. For example, prices increase before summer season, specially within the Europe market. In good shape boats tend to be over market value in this season as maintenance and aesthetic jobs have already been done and boats are ready to be used (this strategy is mostly used in the retail boats).

5. **Premium Pricing:** Reserved for custom-built or highly specialized yachts, this strategy sets prices significantly higher to reflect the bespoke nature and exclusivity of the product. Such yachts often include advanced technological features, custom design elements, and luxurious amenities. An example can be the Custom Line from Ferretti Group, where these boats are almost fully customizable and owners tend to pay more than its value just because the boat is one to one in the world. In reality, almost all boats are very unique to its kind, Azimut tends more on the industrialization, as previously mentioned, producing a lot of the same kind of boat and all in the same way, but most of the manufacturers tend to make more models and different projects making the final product almost unique.
6. **Penetration Pricing:** Used primarily by new entrants in the yacht manufacturing market, this strategy involves setting lower prices to gain market share quickly. Once a foothold is established, prices may gradually increase.
7. **Psychological Pricing:** Implementing pricing strategies that consider the psychological impact on buyers, such as setting prices just below a round number (e.g., \$999,000 instead of \$1 million) to make the price appear significantly less.
8. **Bundle Pricing:** Offering complementary products or services as a package deal at a lower price than if purchased separately. For instance, including a maintenance package or additional equipment at a discounted rate when purchasing a yacht. Usually boats have 3/4 years warranty on all products within its boat. We will get into warranty labor later on in the next chapter.

Each of these strategies is chosen based on the target market, competitive landscape, and specific goals of the yacht manufacturer or seller. Properly understanding these strategies can help in making informed decisions that align with business objectives and market conditions.

4.3 Branding and Positioning

In the luxury yacht industry, branding and positioning strategies are crucial for targeting and engaging the ultra-high-net-worth individual market. Below is a list of all the strategies yacht makers and sellers use:

1. **Social Media and Digital Presence:** Yacht brands increasingly leverage social media platforms to showcase their offerings and engage with potential clients through rich media content such as live-streaming and behind-the-scenes footage. This approach helps humanize the brand and boosts its authenticity, making it more appealing to potential buyers who seek genuine experiences. Obviously high end yacht buyers wouldn't necessarily buy a boat based on its social media presence, but this helps accessibility and recognition from the lower end market, whom are the ones giving credibility and visibility.
2. **Hyper-Personalization:** The yacht industry is moving towards more personalized marketing strategies, utilizing AI and real-time data to tailor experiences and communications to individual preferences. This level of personalization is crucial in luxury markets where client expectations are exceedingly high, and bespoke service is the norm
3. **Inclusivity and Sustainability:** Brands are now prioritizing diversity and inclusivity in their marketing strategies. There is also a significant push towards sustainability, as younger clients increasingly prefer brands that demonstrate environmental responsibility. These elements are becoming key differentiators in the luxury yacht market
4. **Experiential Marketing:** The shift towards immersive experiences, including the use of virtual reality, allows yacht brands to offer potential buyers a unique view of what they can expect from their investment. Such innovative marketing techniques help brands stand out in a crowded market by offering more than just a product but an experience
5. **Brand Storytelling:** Creating a compelling brand story is critical. Luxury yacht marketing involves crafting narratives that highlight unique brand qualities and the exceptional experiences the yachts offer. This strategy is essential for connecting emotionally with customers, particularly in a sector where purchases are driven by both emotion and rationality. Riva or Azimut tend to name their boat types reflecting a line that gives a different perspective. For example the new 130ft Riva has on all its models the name "Bellissima" or the 112ft is named "Dolcevita". These Italian words reflect Riva's philosophy to keep the made in Italy pronounced, and its heritage of Italian craftsmanship. On the other hand, Azimut for example, has one line of boats named "Magellano" reflecting the Portuguese maritime explorer of the 1500s Ferdinand Magellano.

6. **Strategic Partnerships:** Building relationships with other industry leaders through memberships in organizations like the International Yacht Brokers Association enhances credibility and trust. This also helps in staying ahead of industry trends and aligning with the best practices. For example, MarineMax is the largest lifestyle retailer of recreational boats and yachts in the world. The company is celebrated for its extensive offerings, which include not only a wide range of new and used boats and yachts but also yacht concierge and superyacht services. MarineMax operates under a mission to enrich the lives of its customers by delivering exceptional boating experiences. This mission drives its operations across over 100 locations globally, ensuring a broad reach in both sales and service. Furthermore, this American company has a strong connection and deal with Italian yacht manufacturer Azimut. MarineMax has established a robust financial footprint, demonstrating significant growth and profitability, which reflects its strong market position and operational efficiency.

4.4 Marketing Campaigns

The most famous and valorizing way to showcase boats and to visualize them is still the old-fashioned way of boat shows. There are around 117 boat shows are held across 102 cities in 36 countries. The United States hosts the most, with 30 shows, followed by Canada with 14, and Germany with 12. Among these, several stand out for their scale and prominence in the yacht and boating industry.

One of the largest and most prestigious boat shows globally is the Fort Lauderdale International Boat Show in Florida, known for its vast display of yachts and marine accessories and attracting over 100,000 visitors. Similarly, the Miami International Boat Show is significant for its large attendance and the variety of boats showcased, making it a crucial event for industry trends and innovations. In Europe, the Monaco Yacht Show is renowned for displaying luxury yachting, often featuring the debut of some of the most spectacular super yachts.

Within the boat shows, specially the most important ones, the most expensive and high end boats are showcased. Where most of the buyers attend them to see what the final deal will be. Usually the boats at the show are already sold, and possible buyers need to order that version or an upgraded version. Hospitalities, bars and parties are hosted in all shows to accommodate the best buyers and high end brokers.

4.4.1. Riva-Ferrari F1 Partnership

The Riva and Ferrari relationship brings one of the best collaborations within the boat industry. Where two of the most iconic Italian brands collaborate at the eyes of the entire world. Multi-billion dollar market like F1 is the best and most prestigious scenario for the high end company like Riva. This alliance sees Riva as an official sponsor of Scuderia Ferrari, with the Riva logo prominently displayed on the Ferrari F1-75 racing cars and the helmets of Ferrari's drivers, Charles Leclerc and Carlos Sainz Jr. The partnership extends throughout the Formula 1 season, underscoring Riva's commitment to aligning with global brands that share its values of luxury and high performance.

The synergy between these two iconic brands is celebrated with Riva's presence at key Formula 1 events, starting from the season opener in Bahrain and concluding with the Abu Dhabi Grand Prix. This collaboration not only highlights Riva's prestigious branding in the fast-paced world of Formula 1 but also aligns with their mutual dedication to pushing the limits of technology and style in their respective fields. Part of the deal also involves drivers and teams involved in Riva's social media posts and their own.

This sponsorship began in 2016 and was still strong in the 2024 season. In the 2024 Fort Lauderdale Boat show, the helmets of both drivers were exposed at the Riva stand and inside the hospitality where all potential buyers and admirers were allowed to go.

5. After-Sales

To start off, after-sales service in the yacht industry, particularly in the USA, is a critical aspect of customer care that significantly enhances owner satisfaction and brand loyalty. This service includes a big portion of the customer's care providing professional support, from maintenance and repairs to full-scale refits, often ensuring that each yacht maintains its functionality and luxury over time.

The United States is among the biggest countries that holds the biggest marinas and the most yachts and Superyachts, therefore after-sales services are meticulously structured to cater to a discerning clientele. Leading yacht manufacturers and dealerships emphasize the importance of comprehensive service packages that extend well beyond the initial sale.

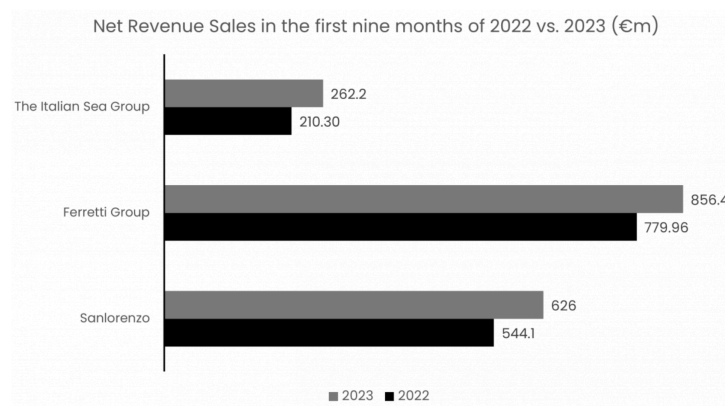
The approach to after-sales service in the yacht industry is highly personalized. Companies strive to provide a seamless experience that mirrors the luxury and exclusivity of yacht ownership. All Italian yacht manufacturers hold their respective dealerships outside of the country. For example Ferretti Group has a company in the United States called Ferretti Group USA, and so on with the other manufacturers. This includes access to skilled technicians trained in the factory who specialize in the latest marine technology, as well as the use of high-quality parts and tools to ensure that every yacht performs at its best.

After-sales support also includes client education, where yacht owners are informed about the best practices for vessel care and the latest upgrades available to them. This proactive communication helps to maintain a strong relationship between the yacht owners and service providers, ensuring that the owners feel valued and well-cared for long after their initial purchase.

Overall, the after-sales treatment in the yacht industry is geared towards ensuring that every yacht owner enjoys not only a prestigious product but also an enriching ownership experience characterized by unparalleled support and service.

5.1 Retail

Italy continues to assert its dominance in the global yachting market, particularly in the superyacht segment where it holds a substantial 54% market share. This leadership is underpinned by the country's renowned craftsmanship and innovation in yacht building, which have propelled it to the forefront of the industry. The Italian yacht market not only contributes significantly to the global luxury maritime sector but also plays an essential role in the national economy through substantial exports, especially to the United States which remains a key market.



Source: Schiavo, D. (2023a, November 10). Italy market update - superyachtnews. Superyacht News. <https://www.superyachtnews.com/business/italy-market-update->

The Italian yachting sector is poised for continued growth, with forecasts indicating an expansion of 5-15% in 2023. This growth trajectory is supported by a robust framework of mergers and acquisitions, with Italy witnessing around 30 significant deals, underscoring the dynamic and evolving nature of its maritime industry. The global market is similarly expected to grow, with an anticipated annual increase of 6% between 2024 and 2026, driven largely by the demand for luxury and superyachts.

Innovation and sustainability are increasingly becoming focal points for the Italian yachting industry. Italy's commitment to these areas is evident in its proactive approach to incorporating eco-friendly practices and technologies, which not only aligns with global environmental objectives but also meets the growing consumer demand for sustainable luxury products. This

sustainable outlook is poised to further enhance Italy's competitive edge on the international stage.

Furthermore, the Italian Marine Industry Association, in collaboration with partners like Deloitte, continues to provide invaluable market intelligence, helping to steer the industry through the complexities of global economic shifts and consumer trends. This strategic insight allows Italian yacht builders to adapt and thrive in a highly competitive market, ensuring they remain at the cutting edge of yacht production globally.

For example, Ferretti spa has Allied Marine as one of its main retail centers in the United States, allowing to cover the entire east and west coast with its support and customer care. Its important to understand how these manufacturers besides having their own within the company service and seller, also buy other local companies making them their official dealers.

5.2 Warranty treatment

Warranty treatment is far more complex than it may seem. Effective customer care is crucial for business success, but the challenges are magnified in markets that deal with high-value, complex products like yachts. Here's an enhanced explanation of how warranty treatments work in this sector, with added context and details for clarity.

In the luxury yacht market, a yacht like those produced by Ferretti contains thousands of third-party components, each with its own warranty. These components are often part of larger systems that also have multiple layers of warranties provided by various suppliers at each level. This tiered structure of warranties adds layers of complexity to the after-sales service and warranty claims.

For instance, if a platform on a new Ferretti yacht breaks under warranty, the process to address this issue involves multiple stakeholders. Ferretti would typically contact the supplier of the platform to cover the costs of the repairs, which may include contractor labor and any modifications required. This supplier, in turn, might need to engage with their own suppliers —

for example, the manufacturer of an electrical control unit if that is the root cause of the platform's malfunction.

Each layer of the supply chain has its established procedures for handling warranties, which can involve intricate negotiations and logistics. The supplier of the broken platform might need to claim from their own supplier for parts or labor costs, adding another layer of complexity.

This multi-layered approach to warranty treatment is necessary due to the complex integration of various technologies and components that make up a luxury yacht. Each component not only has its own warranty but may also depend on the warranties of other components within the same system.

The statistics around yacht manufacturing underscore the scale and complexity of the industry. For instance, the global yacht market size was valued at several billion dollars, with a forecast for continued growth, reflecting the vast scale and economic impact of this sector. The process of managing warranties within this framework is not just about fixing individual components but maintaining the integrity and functionality of highly sophisticated vessels valued by customers for both their luxury and reliability.

Understanding these layers and the interdependencies within the supply chain is crucial for those involved in the manufacturing, maintenance, and ownership of luxury yachts. This structured approach ensures that all parties understand their roles and responsibilities, minimizing downtime for the owner and maintaining the vessel's value and performance.

In summary, warranty management in the yacht industry requires a coordinated approach involving manufacturers, suppliers, and service teams to ensure that each component functions correctly and any issues are swiftly resolved, maintaining the high standards expected in the luxury market.

6. Conclusion

The market dominance that the Italian yacht industry has, compared to the world, is not comparable to anything else. Maybe caused by its necessities in the past, Italy has a yacht culture and heritage that goes way back in time. As of our present times Italy has the most production of worldwide yachts and the most export worldwide. Old companies founded in the 1900s still keep the same culture and name today, showcasing the world why Italy is leader in this sector. The growth of the yacht industry is what keeps the companies motivated and successful, always seeking motivation and innovation to produce yachts that can be sustainable as well as keeping up with the markets demand. I want to break down the conclusion in two key parts: the key findings and from understanding and valuation of this research what my recommendation under the marketing perspective.

6.1 Summary of Key Findings

As said previously this thesis outlines how Italy's yacht industry continues to lead globally, particularly in the superyacht segment. With a 54% market share, Italian manufacturers like Ferretti Group, Azimut-Benetti, and Sanlorenzo not only emphasize luxury but also the technical prowess of their offerings. The focus on sustainability and advanced technological integration, such as the use of Hydrotreated Vegetable Oil (HVO) and advancements in hydraulics and domotics with the usage of Green Oil, highlights the industry's response to global environmental concerns and its commitment to maintaining market leadership through innovation. Although in this sector the demand is not high, the connection to the maritime ecosystem is what motivates the most companies to produce and innovate towards that goal. Furthermore, we analyzed the direction of major companies, like Riva, to start to copy the automotive industry going full electric. As said in our research, what differentiates the most and keeps the motives low, is the availability in space and weight for the batteries to go full electric on bigger yachts. To keep all systems on the boat alive and able to work constantly the usage of electricity is incomparable with the one in a daily car. Also, the low availability of charging

stations is another of the problems in this sector that avoids the transition and scares manufacturers.

Furthermore, I analyzed some of the marketing strategies used by these yacht builders including digital marketing, participation in global boat shows, and personalized customer experiences, playing a critical role in enhancing brand identity and global reach. An example that I've analyzed that has strong media impact is the Riva and Ferrari F1 team, understanding how these two Italian pioneers in their respective sectors collaborated with partnerships and sponsorships. It has also recently been announced that this partnership will be ongoing in the 2025 as well.

I interviewed Opacmare's Business Consultant - Andrea Sacco, to better understand what their strategy as an hydraulic company and leader in the sector collaborating with all the major yacht manufacturers in the world. The key findings from this interview was that their core publicity is attending boat shows, strategically the ones where based on a market analysis are the ones most attended by the yacht manufacturers. The findings demonstrate the effectiveness of combining Italy's historical craftsmanship with modern marketing techniques. This strategy not only preserves the heritage of iconic brands attending and showcasing their hands on products at the shows, but also addresses the evolving preferences of a sophisticated clientele, that may want to try those products hands on before installing them on their yacht (usually captains handle this part of attending shows based on owners demand and request). The industry's push towards sustainability also aligns with a global shift towards more environmentally responsible manufacturing practices.

6.2 Strategic Recommendations for Marketers

Based on our key findings and my understanding from this sector, there will be a game changing digital innovation in this sector to further strengthen market position, Italian yacht manufacturers should continue to invest in digital technologies that enhance customer interaction and streamline operations.

It can also be easily forecasted that there will be a significant expansion in emerging markets like Asia and the Middle East that can help capitalize on increasing luxury consumption in these regions. In this research, most of the examples and analysis have been made on the connection between the Italian and the USA market, where the most affluent of the customers touch base. Italy for the Mediterranean, summer season, and the USA specially the South East Coast due to the easy access to the Caribbean and southern islands whom have summer practically all year having the tropical weather. So based on this there is a huge margin in the other parts of the world where tourism is growing at a high pace and so can be this industry there.

Another key analysis is the sustainability as a core component of brand identity. Where companies should intensify their commitment to sustainability, not just in production but across all operations, to meet the growing demand for eco-friendly luxury goods. As previously stated in the conclusion, this market has yet to make a big step, but is definitely moving towards that direction.

Finally, the purpose of this thesis was to analyze the impact of these Italian companies in the world, and how a project turns into a reality, and then how that reality is been taken care of and constantly innovated based on that solid base, and finally how all of this is strategically sold and proposed to costumers. I've been inside this world since I can remember, dragged by family's business, and always had this admiration towards this industry. I had the pleasure on seeing how Azimut industrialization differs from the other manufacturers, having the accessibility of visiting multiple shipyards and seeing with my eyes yachts being built, or why Opacmare is leader in this sector, having the pleasure on visiting their factory and its owners. I can personally state how incredible and prestigious this world is, full of unthinkable and unwritten laws that only the ones that are inside would understand.

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