Advances in Motorcaravan Tourism: Possible Sector Convergence and the Knowledge of Motorhome Users. Remarks from an empirical analysis on the German market.

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ABSTRACT

One of the most important forms of travel chosen by the tourists *en plein air* is the motorcaravan.

The motorcaravan industry has unique characteristics that distinguish it from other forms of travel *en plein air*.

It is a very dynamic industry in which two industrial sectors could converge, the motorcaravan manufacturers and the automotive industry on the one hand, which in their turn would converge with the tourism industry.

The purpose of this paper is to investigate the current forms of intersectorial dialogue, by understanding the reasons why tourists decide to purchase a recreational vehicle and the use they make of it.

Key Words: Sector convergence, tourism *en plein air*, motorcaravan industry, automotive industry.

INTRODUCTION

Tourism *en plein air* is a relevant form of tourism that moves almost 5 million tourists each year only in Italy.

For this type of tourism, there are different forms of accomodation ranging from campsites to free up roads and parking areas.

From an economic point of view, the revenues for the Campsites in Europe in 2009 amount to 12.6 billion Euros (gross annual revenues) and in 2008, while on the road, European campers spent 3.33 billion Euros on stops outside of campsites (European Caravan Federation, 2011; Confederazione Italiana Campeggiatori, 2011).

One of the most important forms of travel chosen by these tourists is the motorcaravan. In 2009 1.35 million of motorcaravans were on the road in Europe. The industry revenues in 2009 were equal to 4,487 billion Euros only for the new vehicles (motorcaravan and caravan), plus 4,394 billion Euros for the used vehicle, plus 732 billion Euros for the equipment and 954 billion Euros for the maintenance (Eurostat, 1995).

The paper will show the results of a survey promoted by Promobil[1], a leading caravan magazine on the German market, which is the main caravan market in Europe covering 25% of the European market with 1,375,000 vehicles in use, of which 435,000 motorcaravans (32% of the motorcaravans in use in Europe, followed by the Italian market which covers 17%). 33,747 new Leisure vehicles were registered in German in 2010, of which 18,139 motorcaravans (27% of new registrations in Europe).

In the early months of 2011, a questionnaire was sent to all Promobil readers. The final sample includes 23,224 readers, among whom we find opinion leaders, early adopters, active partners giving purchasing suggestions to friends and acquaintances (so called multipliers), owners or future purchasers of motorcaravan and, finally, even a few "mere" readers of the magazine. The sample is to be considered scientifically valid, easily exceeding the number of interview required for achieving a confidence level of 99% with an admissible error rate of 0.010.

71% of the sample was composed of men with an average age of 58 years and 29% of women with an average age of 55 years. Note that an important factor for the purpose of ensuring quality results and consequently interpreting answers is that 87% of the sample states that it is knowledgeable about the sector and 48% intend to buy a motorcaravan in the next two years. We also underline, when presenting the sample, that 85% of those interviewed are motorcaravan owners and 15% are potential new buyers.

57% of the owners of a motorcaravan purchased a new vehicle while the remaining 43% purchased a used vehicle with an average mileage, at the time of purchase, of 50,000 kilometers.

[1] The Author would like to thank Mr. Ulrich Völker (head of the Market Research, Motor Presse Stuttgart – Promobil) for sharing the data used in this research.

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The new/used composition seems[2] to be slightly changed in favor of choosing a used vehicle when we analyze the preferences of those who intend to purchase an RV as a new purchase or as a replacement: 42% of those interviewed would purchase a new vehicle and 39%, on the other hand, seem oriented towards a used vehicle. If, however, we examine the percentages for those who already own a vehicle and those who would intend to purchase one for the first time we find that the intention to purchase a new vehicle is higher in the first group than it is in the second (45% vs. 31%). This difference may be easily explained when we consider all the rational and emotional aspects (Simon, 1957) tied to familiarity with these vehicles and, above all, to personal use of the vehicle and to consequent doubts regarding the vehicle to choose and the investment to make.

FORMS OF SECTOR CONVERGENCE FOR THE MOTORCARAVAN TOURISM

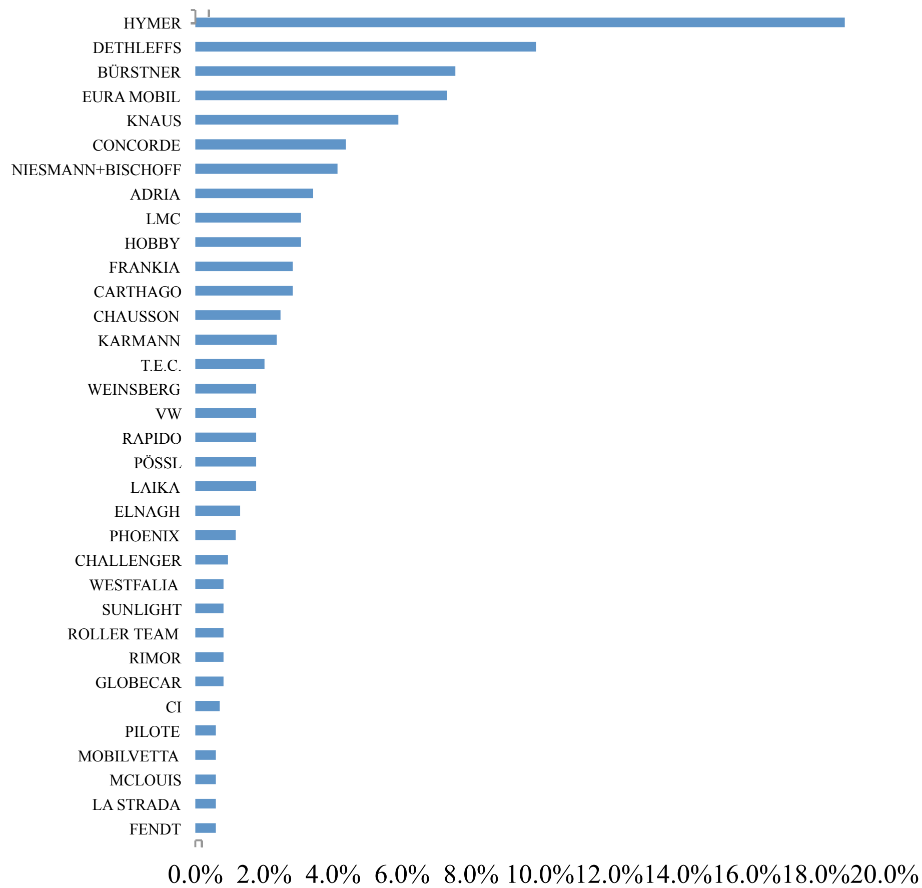
The motor caravan industry has unique characteristics that distinguish it from other forms of travel *en plein air*. It is a very dynamic industry in which two industrial sectors could converge, the motor caravan manufacturers and the automotive industry on the one hand, which in their turn would converge with the tourism industry.

For the purpose of investigating possible effects of a possible sectoral convergence we must first introduce, separately, the two industrial sectors that are involved.

Per poter indagare sui possibili effetti di una eventuale convergenza settoriale è necessario prima presentare singolarmente i due settori industriali coinvolti.

The motorcaravan industry consists of 34 brands on the German market, led by the Hymer brand with 18.8% of the market followed by Dethleffs with a share of 9.9% (fig. 1).

Fig. 1
Market Shares by Motorcaravan Brand



Source: our processes on data Motor Presse Stuttgart – Promobil

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[2] The conditional is compulsory when stating a trend with certainty given the rather high percentage of undecided, 19%.

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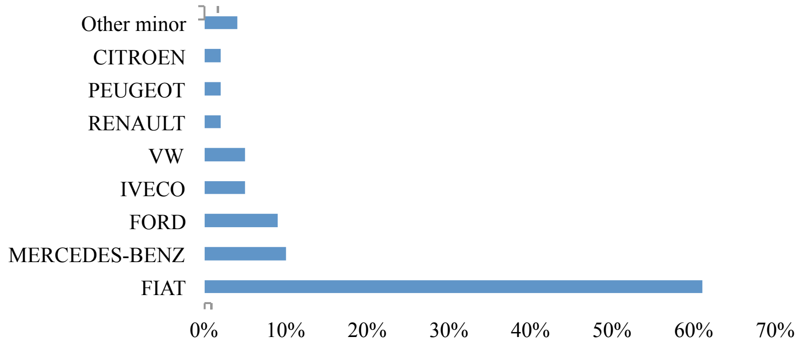
The automotive industry, on the other hand, is formed of 8 main brands which, together, cover 96% of the market, strongly concentrated in the hands of FIAT, which by itself covers 61% of the market, followed by Mercedes-Benz with a 10% share (fig. 2).

Fig. 2
Market Shares by the Automotive Brand



Source: our processes on data Motor Presse Stuttgart – Promobil

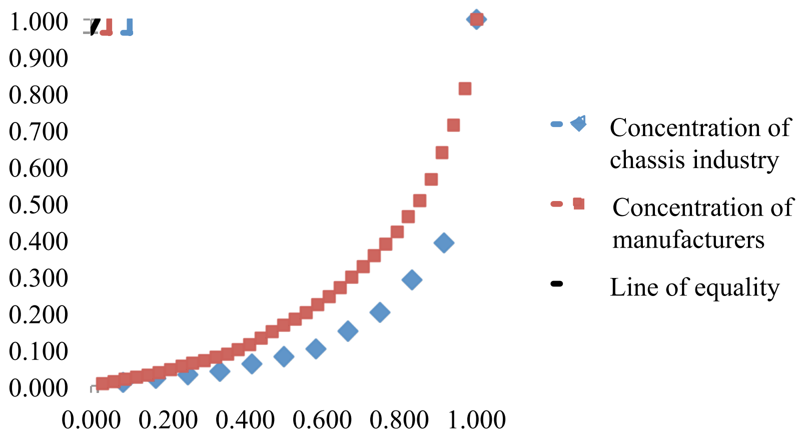
The number of businesses in the two sectors differs greatly, something that is quite comprehensible when we think of the distinctive characteristics of these two industries in terms of business size, amount of the necessary industrial investments, the number and varied professional expertise of the persons they employ.

In addition, the two sectors can be seen as concentrated but the surprising concentration of the automotive industry, which has a Gini Index (G) (Gini, 1912)

$$G = 1 - \frac{2}{n-1}\sum_{i=1}^{n-1} q'i$$

equal to 0.7509, greatly exceeds the concentration of the bodybuilders which reaches a G index equal to “only” 0.5295. The different concentration level is also shown by the graph of the Lorenz curve (concentration curve) for the two sectors (fig. 3) (Lorenz, 1905).

Fig. 3
Lorenz Curve Comparison for the Two Sectors



Source: our processes on data Motor Presse Stuttgart – Promobil

It is evident that this different level of concentration creates a few critical areas in intersectoral relationships between the suppliers of the mechanical part and the motorcaravan manufacturers, at the very least given the different bargaining power of the two parties (Grant, 1999; Porter, 2002).

Finally, data that has been collected also shows, at the macro-analysis level, that brand loyalty towards the automotive manufacturers is higher than brand loyalty shown for the motorcaravan manufacturers (62% vs. 33%). In both cases, however, data obtained is very different if the loyalty is analyzed by individual brands. As a matter of fact fig. 4, for motorcaravan manufacturers, does not show particular trends that tie the market share

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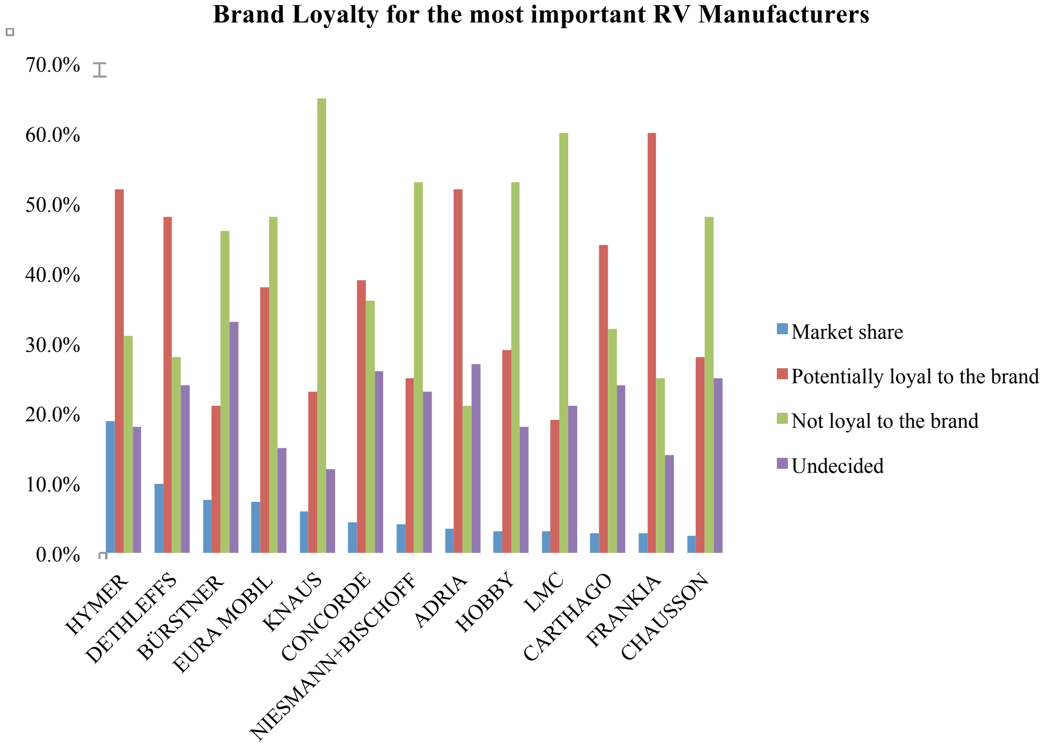
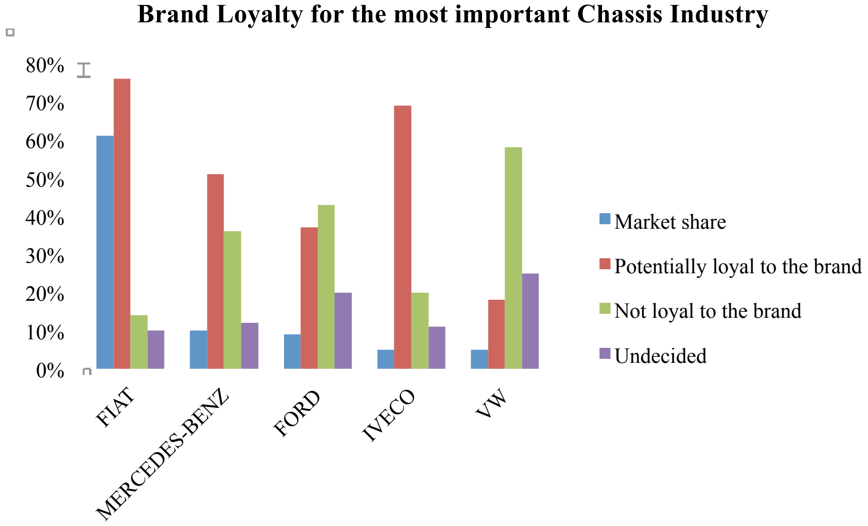
to the consumer's greater or lesser brand loyalty whereas there is a close positive relationship, for the manufacturer of the mechanical part, between the most important brand and the loyalty expressed by the consumer (fig. 5).

Fig. 4
Brand Loyalty for the most important RV Manufacturers



Source: our processes on data Motor Presse Stuttgart – Promobil

Fig. 5
Brand Loyalty for the most important Chassis Industry



Source: our processes on data Motor Presse Stuttgart – Promobil

We can still mention and assume a few managerial consequences even though it would be necessary, to scientifically validate the consequences of this comparison, to break down these results not only by brand but also by model, combined with whether or not the purchaser can choose the mechanical part of the vehicle.

Co-operation between sectors is undoubtedly delicate, on the one hand giving even stronger bargaining power with regard to RV manufacturers to the most important automotive supplier (FIAT) and, on the other, in the case of suppliers of the mechanical part with smaller market shares, a totally opposite bargaining

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relationship between the two parties involved. These asymmetries probably do not stimulate development of the intersectorial relationships that could improve performance by all the stakeholders.

As a matter of fact since the German market is not yet saturated, having a "non motorcaravan owner" rate equal to 15.1% of the sample, a percentage included in the even larger share, 48%, that declare they want to purchase an RV in the next two years, there is still a lot of market potential to exploit/serve.

This is why we believe that investments aimed at mutually strategic coevolution would be beneficial to the businesses both in the one and in the other sector.

This coevolution could be achieved by convergence between sectors (Collins et al. 1997; Valdani et al. 2001) which become part of a single meta-market. Therefore, businesses would converge in networks and organize in a network form (Gummesson, 2006).

By converging the businesses would look for asymmetric equipment of tangible and intangible resources in the other businesses complementary to them, generating new know-how which would lead to better satisfaction of demand and perhaps even to the activation of new markets (Ancarani and Costabile, 2005; Bernard and Jones, 1996).

Convergence between suppliers is to be hoped-for between the two above-mentioned industrial sectors, taking place where demand expresses preference for a bundling value proposition able to meet a complex system of requirements.

This introduces the main figure in this complex system, the tourist, who first represents the demand for the goods (motorcaravans) which are then used in the moment he expresses his demand for tourist services.

And so the meta-market, up to now represented by manufacturers of the mechanical part and RV manufacturers, now enters into relationship with the tourism sector and, in particular, with all those businesses and stakeholders in general that rotate around open air tourism.

In this case we can speak of *convergence between complementary figures* (Valdani, 2000) that takes place in the moment several products work better when used jointly rather than separately, facilitating meeting of new user requirements.

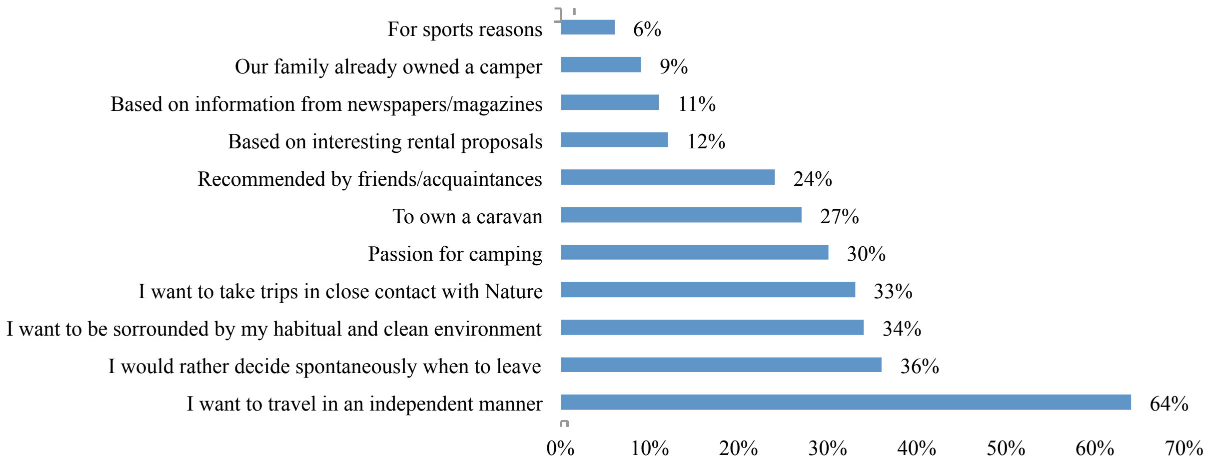
It is absolutely necessary to understand the requirements of RV owners and users.

UNDERSTANDING THE REASONS AND THE NEEDS BEHIND DEMAND IN ORDER TO DEVELOP THE SUPPLY

Understanding the reasons at the base of consumer choices and defining the framework of the decision-making process and the behavior by individuals to meet their needs are the main goals of experts of marketing (East, 1997).

The main reasons that prompt RV users towards this method of travel are shown in fig. 6.

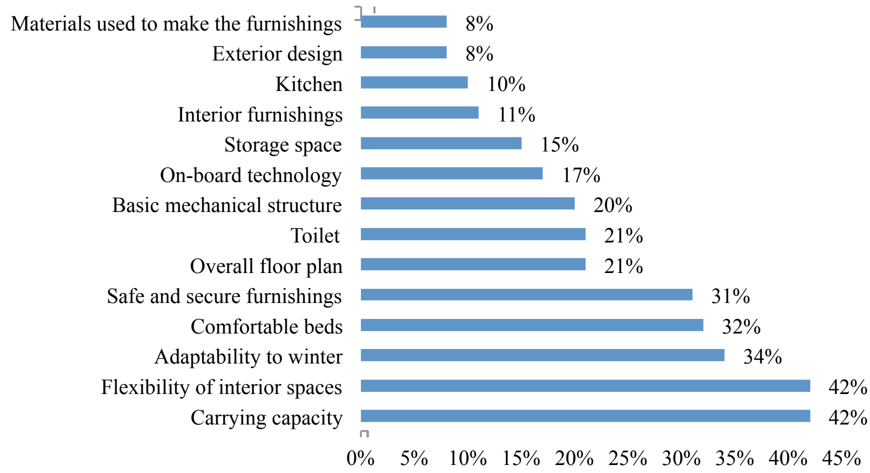
Fig. 6
Reasons for Travelling in a Camper



Source: our processes on data Motor Presse Stuttgart – Promobil

The desire to travel independently, which received the most preferences, connects very well with desires for improvements relating to current vehicles. The first two positions in this second list, fig. 7, show changes in carrying capacity and the possibility to transform the vehicle depending on its use, both characteristics that make the vehicle better suitable for independent and free travel.

Fig. 7
Requests for Improvement of Vehicles



Source: our processes on data Motor Presse Stuttgart – Promobil

Another different and highly interesting reading of these results may also be suggested, a reading which once again highlights the need for convergence between suppliers and complementary figures.

The first two requests, in fact, carrying capacity and flexibility of interior spaces, concern in the one case a factor that depends on developments in the automotive industry and in the other case developments in the motorcaravan industry. It is clear that only by evolving together can these two industrial sectors meet the new consumer requirements who will, in their turn, orient and direct their requests according to their own travel reasons.

CONCLUSIONS AND FUTURE RESEARCH

An examination of the reasons that lead holiday-goers to travel in campers is fundamental to research in this sector. It is important to know their choices regarding destinations, trip lengths, number and other characteristics regarding passengers (travelling companions), average cost, use of campsites rather than parking lots or other free forms of "navigation" through the territory and many other factors.

The experience of *en plein air* holidays, which represents the moment of consumption of the goods and services offered by the three sectors involved (chassis, motorcaravan and tourism sector), is therefore the driving force behind this entire complex system.

The tourist's travel is an experience searching for positive emotions, something that consumers want to enjoy from the very start of the decision-making process that accompanies them as they move to purchase the vehicle (Pine e Gilmore, 1998).

The business that offers the RV can enhance this emotional living experience by jointly employing different resources and technologies: these, by means of mechanisms evoking historic and imaginary images (Hirschmann e Holbrook, 1982), bring back to the mind of the consumer those emotions tied to consumption of the goods. It is obvious that in order to construct this imaginary structure in the dealership we must have an a priori understanding of the travel behavior of the *en plein air* tourist.

Contractual subsupplier and power relationships, rather than a true sectorial convergence, may move the axis of the purchase process from a utilitarian dimension to a hedonistic dimension.

Merging sectors and technologies helps the business, or group of businesses, to anticipate or magnify the emotional dimension of what it offers[3].

Doing so makes it possible to anticipate and guide future changes (Genovese, 2007) through coevolution of all the stakeholders in the system, in a win-win strategy.

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[3] An important initiative in this direction organized by the Province of Siena in collaboration with the Motorcaravan Manufacturer Association and the PleinAir magazine already exists in Italy.
Terre di Siena Plein Air is an event that lasts more than one month combining tourist experiences in the Territory of Siena with visits to the factories of the main motorcaravan brands.

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http://www.e-c-f.org, European Caravan Federation
http://www.federcampeggio.it, Confederazione Italiana Campeggiatori

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