

US boat club plans international expansion

FREEDOM BOAT CLUB EYES THE MED, MEXICO AND CARIBBEAN TO GROW ITS BOAT CLUB BUSINESS MODEL

WORDS: MICHAEL VERDON

Freedom Boat Club plans an aggressive international expansion over the next five years. Company executives told *IBI* that they are close to signing a deal that would create “multiple” Freedom Boat Club locations on the French Riviera. “We’ve been talking with a potential owner in the South of France for a master franchise,” says John Giglio, owner and CEO. “We’re also seeing interest in Italy and Spain for the boat club model.”

Setting up far outside North America would be a big step for Florida-based Freedom, which has been in business since 1989. The company signed its first franchises outside the US last year in Vancouver, Canada. It currently has more than 130 locations in 23 US states and Vancouver, with a fleet of 1,500 boats and 15,000 members. Freedom has about 20 company-owned clubs, most along the west coast of Florida, but the majority are franchises. The boat club model is membership-based, allowing members free access to club boats and the ability to move between clubs around the country. Members pay annual fees, rather than hourly or weekly rates like a charter business.

MILLENNIAL GENERATION

Giglio says the business model has expanded quickly since 2011, driven partly by the global recession and also by the coming of age of the Millennial generation. “When the economy crashed, boaters could no longer use their banks to buy their boats,” says Giglio. “They had to give up their boats but not the boating lifestyle. This allowed them to stay in boating at a fraction of the cost of ownership.”

The advent of boat-share models like Boatsetter and Boatbound, similar to Airbnb in housing, has also accelerated membership in Freedom Boat Club. “It created a shift in thinking and brought a technological component to the boating industry,” says Giglio. “The club concept makes a lot of sense for the Millennials who don’t need the pride of ownership of a boat.



▲ The boat club concept is gaining fans worldwide. CEO John Giglio (top) and Barry Slade, VP of business development, have aggressive plans for international expansion

We fit well into that mould.”

The Millennial mentality is present globally, says Giglio, making the boat club concept attractive around the world. “They’re all seeking the same experience,” he says. “While we understand that cultures are different, what we’ve found in the last year and a half is that most of these places are more open to the club concept than in the US. We found that it’s been well received wherever we go.”

REACHING NEW DEMOGRAPHICS

“Boating overseas is extremely expensive compared to what we’re used to,” says Barry Slade, Freedom’s VP of business development.

Slade has worked with many US boatbuilders on creating international dealer networks. “Bringing the concept to a country that hasn’t enjoyed boating, especially if you’re reaching a new demographic, is not far-fetched. The value proposition is tremendous.” The group will be targeting areas like Europe, Mexico and the Caribbean that have boating cultures before looking into franchises in other areas like China or Southeast Asia, where boating is not as prevalent.

About a third of its members are also new to boating, so having untrained members is not much of a challenge. “We offer extensive training courses to all our members,” says Giglio. “We don’t want boating to be a white-knuckle experience.”

Opportunities in boating areas like the Mediterranean are ripe, says Giglio, as no boat-club model exists there. The key will be finding the right partners as franchise owners. Giglio has also become used to hiring lawyers in different countries to protect trademark rights and navigate legal rules of different countries. “We plan to have several new franchises, with multiple locations in each, and one outside North America open by the end of 2017,” he says. “Once we went to California, we soon had new locations in Washington and Oregon. We’d like to see the same thing in Europe. “Our goal is to be like Xerox in the copy-machine world – the name brand of boat clubs.” **IBI**



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