

# ocean

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### CHASING THE DRAGON

HOW THE DUTCH YARDS HAVE FARED IN EFFORTS TO REACH NEW MARKETS OF ASIA

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# CHASING THE DRAGON







THE DUTCH ARE KNOWN FOR THEIR YACHT-BUILDING EXPERTISE BUT, ESTHER BARNEY ASKS, HOW ARE THEY APPROACHING AND SUCCEEDING WITH A GROWING BUYERS' MARKET IN ASIA?

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As Europe's pedigree yacht builders have scrambled to catch the attention of the emerging markets' elite over the past decade, some have had more impact than others. A diverse and complex region with a fast-growing population of millionaires and billionaires hungry for luxurious accoutrements, Asia has taken top billing on the hit list of many an established yard.

For the Dutch, known the world over as some of the best yacht builders, is the effort resulting in rewards? It seems that for those who have made the effort and investment, the answer is yes. But it doesn't come cheaply or quickly. And making an effort to understand and not patronise the client base goes a long way.

#### THE LONG HAUL

A number of the top yards in Holland – such as Amels, Feadship and Royal Huisman – have had success with Asian clients. But this has often been a result of a longstanding campaign for brand awareness, attending key events and working with local experts.

Amels has sold a number of yachts to multiple Asian clients, while Royal Huisman – considered by some to be the best sailing yacht builder in the world – delivered a 43-metre, Frers-designed sailing yacht to a Taiwanese client in 2015. Currently the same yard is building an 81-metre contemporary three-masted schooner for an Asian client, which when delivered will be in the top 10 largest sailing yachts in the world, and the largest ever built by Royal Huisman; it is expected for delivery in 2020. Both these Royal Huisman yachts involved regional liaison Bart Kimman of Northrop & Johnson Asia, showing the importance of creating a network of local brokers to help get the message across.

Interestingly, while many superyacht builders were trying to coax Asian buyers into trying a “bigger is better” route, like their western counterparts, Feadship remained characteristically agile in its sales approach. Instead of concerning itself with scoring a single, mammoth project, Feadship worked with a group of clients to simultaneously build three 33.5-metre yachts. Farouk Nefzi, Marketing and Brand Director at Feadship, comments: “For this region, we are serving clients that wanted to build smaller yachts to Feadship standards, and draft for limited mooring facilities.”

#### THE DANGERS OF DEMOGRAPHICS

In the past, assumptions made about “Asian buyers” have at times been too general or become outdated by a rapidly evolving market. Older generations have likely spent less leisure time on the water, or had concerns about sea sickness or how to get “into” yachting. But the market is adapting to the lifestyle quickly, and tuning in to the inspiration provided by the brands that are making efforts to reach Asia.

Victor Caminada, Marketing Manager at Amels, comments on the changing client base: “Our clients – whether originally from Asia or anywhere else – are global citizens. In the second generation of wealthy in Asia [which we are seeing now], they are becoming more attracted to the on-water lifestyle, and enjoying being in the sun. The older generations had less opportunity to see that lifestyle, but the next generation has grown up with it. And they want to be both in the more traditional cruising grounds of the Mediterranean as well as in Asia; though in Asia there is still a need for a more developed yachting support infrastructure.”

#### SMALL BUT PERFECTLY FORMED

*MY Kamino* is one of a number of “smaller” superyachts Feadship recently built for Asian buyers, with an LOA of 33.5 metres.





Royal Huisman's success in the region is testament to the dangers of making false assumptions. Mostly a builder of fully-custom sailing yachts, it could have been wrongly assumed that there was little market appetite for the yachts. In such a niche market where relatively few sales are needed, all it takes is a handful of clients to keep you busy for a few years. If your business model is more on the production side, however, you need a wider appeal.

But keeping quality high will continue to reign supreme for the Dutch yards, says Yoeri Bijker, Marketing Manager at Van Der Valk – Continental Yachts: "After recognising that some of these production boat brands cannot meet with their expectations, the yacht owners will expand their horizons looking for other brands, and usually end up in Holland. This takes time. I think the Asian market is now getting to a point where some yacht owners are becoming more experienced and are looking for high-quality yachts."

In the past, series and semi-custom boats have been most prevalent, confirmed Nefzi. But the real "custom" builders are slowly coming to the region, mostly from Holland, Italy and Germany.

Caminada adds that the general trend is to move from smaller boats to larger ones "which is where the Italian brands do well, because they can take clients on that journey through the phases of yachting. But in the market of 50-metre-plus yachts, other yards such as Amels and Feadship are having success."



### STRENGTH IN NUMBERS

The Dutch have long been a cohesive group when it comes to smart marketing of the country's yacht and boat building traditions. From the 1949 formation of Feadship (bringing together three larger yacht builders – De Vries, Van Lent, and De Voogt – and some smaller ones to tackle the booming US market) to the industry-wide creation of the HISWA Holland Yachting Group.

Jeroen Sirag, Export Director of the Group, feels that focus is key to success when trying to tackle a new region, and that the Dutch are on track to keep leading the industry. The Group's goal is to show that not only is the best quality to be found in Holland, but also the best value, says Sirag.

"The Dutch yacht cluster will need to keep a close eye on the global market, including Asia," he continues when asked if there has been an increased effort to reach buyers in Asia, adding: "I believe companies who choose wisely on focusing on a specific market segment and are able to distinguish themselves strongly within, will remain or become the market leaders of the future with a healthy portfolio."

### NO SMALL INVESTMENT

Understandably, budgetary constraints have been holding back some of the much-loved but smaller yacht brands in Holland from trying to tackle the Asian market, when they have a relatively small order book capacity and there is still potential growth in the established markets of the West. The access to past deliveries and costs of taking yachts to show, not to mention language and cultural barriers, have prevented some "boutique" brands from being able to create effective marketing campaigns, or to justify the cost of marketing campaigns in more than one new market. It is a costly endeavour.

Amels has employed a Chinese full-time, in-house member of its marketing team to ensure the yard doesn't miss a beat when it comes to appreciating the cultural differences in marketing, from printed and online materials, to PR and using Asia-specific social media platforms like WeChat and Youku.

**A DREAM COME TRUE**  
Above: Royal Huisman is building a contemporary three-masted schooner for an Asian buyer.  
Below: Amels builds both yacht support vessels and superyachts on spec.





**GOING DUTCH**  
A growing client base in Asia is investing in premium Dutch build quality. Feadship's *Kamino* (left) and Royal Huisman's *Beast* project (below).

Caminada comments on the decision: "We have done this out of respect to the culture and the people, to help us to fully understand the culture and the language, because we have seen there are big differences. We produce marketing materials that are specifically for the Chinese market, including a full Chinese-language website. Even when it comes to the use of numbers and colours, it's a different world, with many potential pitfalls."

A poll of the most successful marketing techniques so far shows yacht event participation to be one of the most effective methods, as well as working with brokers that are already in the area with an established client base.

#### SHOW BUSINESS

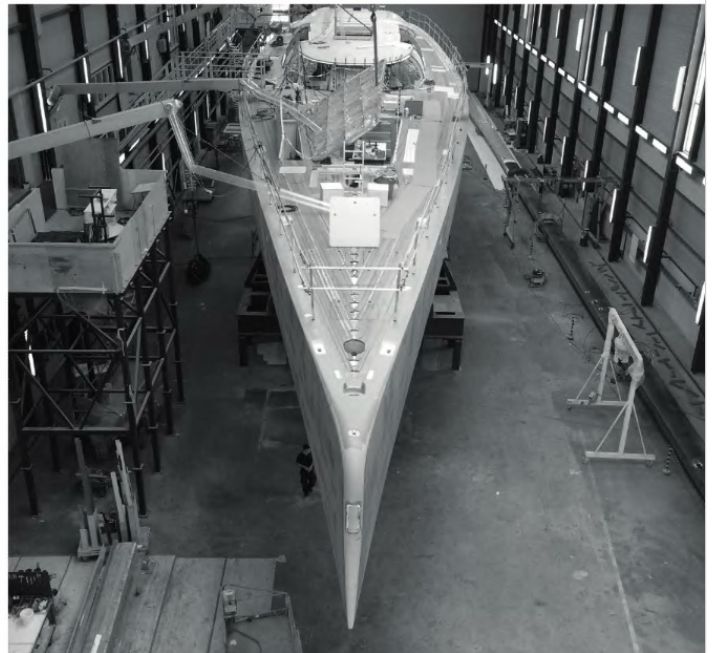
Nothing beats a real-life experience, of course. When you are selling the lifestyle of yachting, at the highest level with the best craftsmanship, this is all the more effective if you can show potential buyers why a superyacht comes at a premium price point.

"What we clearly see is that once the clients appreciate the quality and they understand the difference between the different yards, much like car brands, then they want the best," asserts Caminada. "The brand they are buying into is very important. When we took *La Familia* to the Singapore Yacht Show, and the clientele could see the difference in quality of the workmanship on board, they were astonished as they had never seen anything like it.

"Everyone says they build the best boats, but when the clients can come on board and see it, smell it and touch it, then they understand the difference. We visited China four times for the Hainan Rendezvous but with the shift in political attitudes, the effectiveness of these events changed. We visit other places throughout the year, as well as local brokers, but for us the Singapore Yacht Show is key as it is accessible to attract clients; we will be returning for the fourth time this year."

The Singapore Yacht Show appears to be the largest and most effective event for bringing the right clients to the yards, and there are a number of other popular highlights in the calendar. HISWA's Sirag waxes lyrical about the strengths of the show and its ability to attract potential buyers, as well as provide a business-to-business platform for regional guests.

As well as the Singapore Yacht Show (where it will be launching its 2017 "Future Concept" Choice), Feadship "pays tribute to the Asian region", says Nefzi, by attending events like newcomers the Thailand Yacht Show and Kata Rocks Superyacht Rendez-Vous, where the yard hosted an owners' dinner.







**FAST TRACK TO DELIVERY**

There is something to be said for the “build it and they will come” model, if your yard can afford it. Over the years, Amels has been working hard to raise its brand awareness in Asia, as well as show off past projects within the region. But its business model of building yachts on spec to reduce the client’s waiting time for a delivery has also been both effective and attractive, says Caminada.

In his experience, once clients have chosen to buy a yacht, they don’t necessarily want to wait three or four years for a fully-custom superyacht: “What we see is that clients in Asia like to have things very quickly, which is a perfect match with our Limited Editions concept. This reduces the waiting time by a half over a fully-custom yacht, offering deliveries in two years or less, but with a lot of owner input on aesthetics for customisation. This is very appealing to the Asian market.”

That being said, Damen Group’s deep pockets certainly help give Amels a financial cushion of which smaller companies could only dream, and Caminada agrees that this is not an easy or cheap option for most yards.

Other companies will stay true to their core identity and niche, and continue to offer a fully-custom product, such as Feadship and Royal Huisman.

It does seem as though the Asian market is growing for the Dutch yacht builders, in a role reversal from the trading routes from centuries past, where the products are now travelling east not west. The question is whether yards are able to put sufficient investment into the strategy in order to reap the rewards. ○

**THE HEIGHT OF LUXURY**

Feadship’s recent launch, 96.6-metre *M/Y Vertigo*, is one of its largest projects to date.

**Ones to Watch:**

Upcoming deliveries from the featured Dutch yards in this article include:

**AMELS**

Limited Editions 272 ‘Here Comes the Sun’ (2016)  
The first of the newest model in the Limited Editions range has just been delivered. The largest ever Amels, it is 80 metres in length and has a volume of 2,800GT.

Limited Editions 199 (2017)

A 62.4-metre Amels yacht with a distinctive vertical bow, following on from *M/Y Event* and *M/Y Madame Kate* in the same design.

Game Changer (2017)

This 70-metre Damen Yacht Support vessel continues the success of the range, which was created by Damen and Amels to support very large superyachts with extra storage for crew and water toys or boats.

**ROYAL HUISMAN**

Beast (2017)

A highly anticipated 58-metre performance sloop designed by the late Ed Dubois, with a striking vertical bow and dramatic sloping aft deck with staircase.

81-metre Contemporary Schooner (2020)

With design from Dykstra Naval Architects and Mark Whiteley Design, this eye-catching three-masted schooner with a plumb bow is being created for an Asian client who briefed Royal Huisman to “build me my dream”.

**FEADSHIP**

Feadship does not release information on upcoming launches, but no doubt there will be some exciting new builds in the pipeline.