

DIVER ACQUISITION PROGRAM MARKETING PLAN

Increasing the Number of New Diving Customers for the Industry



Diving Equipment and Marketing Association

DEMA is an international organization dedicated to the promotion and growth of the recreational scuba diving and snorkeling industry. With more than 1,200 members, this non-profit, global organization promotes scuba diving through many initiatives including consumer awareness programs, media campaigns and sponsorship of the DEMA Show.

Marketing Strategy and Objectives

Marketing Strategy

The following are the steps DEMA should take in order to create a campaign to acquire new diving customers:

- 1) Use the lifestyle profiles of the most active diver to develop the overall strategy that will encourage participation by non-divers. This should include working with every stakeholder group to determine the needs of the target market and to develop offers and products that fit that market.
- 2) Create an appropriate logo that is appealing to the demographic/psychographic profile of the targeted baby boomer audience making up the potential active diver population. Ideally the logo should work across all target age groups.
- 3) Create advertising that has a compelling emotional message, and appeals to the baby boomer audience. Ideally the messaging should allow for flexibility so that additional target groups can be approached in a similar manner.
- 4) Using the logo, advertising slogans and direction, develop an advertising campaign that includes elements for print, yellow pages, bill board, television, radio and internet advertising opportunities.
- 5) Develop a website to which the potential consumer can be driven to “close” the sale (ie: pursue additional contact with the industry). www.BeADiver.com.
- 6) Develop methods by which all DEMA member stakeholders in the diving industry can support the acquisition campaign, including providing an understanding of the target customer, messaging to which the customer can relate, and image development for businesses that have direct contact with the end-user customer.
- 7) Integrate the following items into the Be A Diver campaign:
 - a) A method to introduce the acquisition campaign to the industry
 - b) DEMA Show
 - c) Consumer Dive Shows
 - d) Scuba Tour
 - e) Diving Weekend program
 - f) Science educator event at DEMA Show
 - g) Retail Specialist assisting each member retailer with understanding who their customer is, where they are located and how to communicate with them, using the lifestyle segmentation database PSYTE
 - h) Diving Futures – a 501 (c) 3 non-profit charitable organization that operates as an umbrella for several DEMA-related programs and allows contributors to take a tax write off for contributions:
 - i) Ships 2 Reefs
 - ii) Career Fair
 - iii) Disaster Assistance
 - iv) Scholarship Program
 - v) Other programs in the future
- 8) Develop a national and regional media buy calendar that is made known to the membership, includes national or regional television advertising and various forms of print advertising, and which incorporates the media and the message that is appropriate for our target audience.
- 9) Develop a two-year long calendar of promotional events designed so that any DEMA member business can participate and act as a “multiplier” for the Be A Diver campaign

- 10) Develop a series of media/PR events to capture media attention for diving. These can include scuba tour events, diving weekend events, career fairs, environmental-related events, wounded warrior project programs, and other events surrounding each holiday in the US. Some events should be national, while others can be used to raise awareness of diving regionally, especially in large markets that contain an appropriate proportion of our target population.
- 11) Conduct a grass roots campaign for the youth market, running concurrently with the baby boomer campaign. This campaign will incorporate:
 - a) DEMA Show
 - b) Scuba Tour
 - c) Diving Weekend program
 - d) Science educator event at DEMA Show
 - e) Aquatic Career Fair
 - f) Scholarship program
- 12) Create a promotional guide for DEMA member use to increase the reach of the campaign.
- 13) Using the familiarity with diving acquired during this overall campaign, approach appropriate non-endemic advertising partners in order to stretch our limited promotional dollars

Marketing Objectives

The following marketing objectives should be accomplished during the promotional campaign:

- 1) Increase the number of divers “certified” at the entry level by 10% as measured over a 24 month period from the public launch of the campaign (using certification census as a measure).
- 2) Increase gross sales in each industry stakeholder group by a value that corresponds to the increase in certified divers.
- 3) Increase the number of DEMA member retailers by 20% as measured from the industry launch of the branding campaign.
- 4) Develop at least one non-endemic advertising partnership to continue diving promotion beyond the two year acquisition campaign.

Action Items

Logo Development

The following logo was developed for the Be A Diver campaign:



Develop the messaging

A message that address some common objections will be developed and linked with Be A Diver and pleasing graphic image to create a compelling message for this target group, and create a reason why someone should consider diving to be part of their repertoire of activities.

Creation of an ad campaign

Should include elements for print, yellow pages, bill board, television, radio and internet advertising opportunities

NOTE: While the logo in these “mock up” ads is appropriate, the ads themselves are EXAMPLES ONLY for the purpose of demonstrating how the logo and messages might be incorporated into the campaign.





Develop a website – The website www.BeADiver.com should be designed to capture prospects interested by the advertising and promotional campaigns, elevate their interest in diving, and drive them to make contact and inquiries with a dive center to learn about becoming a diver. The purpose of the website should be to drive customer acquisition. A basic schematic appears below.



Creating a DEMA member support structure for the acquisition campaign

All DEMA members in each of the stakeholder groups will be given access to this marketing plan in order to help explain the need and background for the campaign. In addition, DEMA's promotional tools will be made available as a resource when needed for use by the industry. It is important to note that the Be A Diver acquisition campaign is designed to supplement the efforts of stakeholders, not replace them. DEMA's goal is to drive prospective customers to make contact with retailers and resorts. Once there, it is important for these stakeholders to use all the selling and promotional tools at their disposal to close the sale and enroll the prospect in diver certification course.

Retailers and Resorts (the main face-to-face contact points for end-user consumers):

- 1) Can incorporate the acquisition campaign's messages, including:
 - a) Use of the Be A Diver logo and messaging on any local, regional and national ads
 - b) Links to the Be A Diver website from their own websites
 - c) In-store advertising, to include posters, counter cards, merchandise hang tags and other devices
- 2) Stores and personnel should meet the expectation of the target customer. To help accomplish this, DEMA will provide access to a Retail Specialist who will assist with an understanding of the regional/local customer and provide information and assistance regarding the expectations of that customer, as well as their media preferences and messaging requirements.
- 3) Can use the Be A Diver campaign materials at any function where contact with the non-diver could encourage participation, including consumer shows (diving related and otherwise).

Manufacturers, Diving Media and Training Organizations

- 1) Can incorporate the acquisition messages as needed or desired, including:
 - a) Use of the Be A Diver logo and messaging on local, regional and national ads
 - b) Links to the Be A Diver website from their own websites as appropriate
 - c) Use of the logo and messaging on posters, counter cards, merchandise hang tags and other devices common to the retail dive store and elsewhere, as they desire.
- 2) As desired can use the Be A Diver campaign materials at any function where contact with the non-diver could encourage participation, including consumer shows (diving related and otherwise).

Integrate DEMA programs and personnel into the Be A Diver campaign:

DEMA Show

DEMA show should be used to integrate the Be A Diver campaign and messaging in the following ways:

- 1) The campaign should be introduced, including the website and the ad campaign at DEMA Show 2007
- 2) Seminars at the DEMA Pre-Show Workshop and other events should be used to introduce the benefits of the acquisition campaign to the industry
- 3) DEMA Show will also be utilized to conduct an Aquatic Career Fair and will provide the opportunity to conduct a day-long event for science educators from the state of Florida to introduce the Career Fair concept and the DEMA Youth Scholarship program. This effort should benefit the industry as teachers and school administrators bring information about aquatic careers, diving and the scholarship program to students and parents.

Scuba Tour

The Scuba Tour is already one of the largest and most visible acquisition programs in the industry. To further the use of the Scuba Tour and take advantage of its PR benefits, DEMA will do the following:

- 1) Incorporate the following in select Scuba Tour stops (These programs are explained in detail in the appendix of this plan):
 - a) Diving Weekend regional promotional program
 - b) Ships 2 Reefs effort
 - c) Career Fairs
- 2) Incorporate the Be A Diver logo on the Scuba Tour pool, advertising, and all signage and forms, including banners that are visible to the media during PR events.
- 3) Work with retailers that participate with the Scuba Tour to be certain that they have effective closing materials and procedures available. Assist them with Be A Diver materials as needed.
- 4) Require retailers participating in the Scuba Tour to utilize the Guidelines for Scuba Tour Participation, including execution of on-site sales of courses to participating consumers.
- 5) Select Scuba Tour stops based on such factors as the make up of the audience being drawn to the event, how well the audience matches with the target audiences (baby boomer or youth market), and whether or not the event has a proven draw of the target consumer.

Retail Specialist

The Retail Specialist will assist retailers in targeting the correct customers in their region. Duties will include:

- 1) Develop retail education and other programs that benefit the overall industry
- 2) Develop diving consumer-level acquisition and retention materials for membership businesses, including retail business plans that assist retailers in understanding customers in their regions.
- 3) Use the PSYTE database to help in member store location or re-location
- 4) Help retailers integrate all DEMA programs into their retail marketing mix.

Diving Futures

A 501 (c) 3 non-profit charitable organization that operates as an umbrella for several DEMA-related programs and allows contributors to take a tax write off for contributions.

The following DEMA-related programs would be handled through Diving Futures:

- Ships 2 Reefs
- Career Fair/Science Educator Programs
- Disaster Assistance
- Scholarship Program
- Future initiatives (environmental etc)

The advantage to this approach for funding these programs is that they are more likely to draw additional funding from other sources outside the industry, and from private donors, and these funds could replace the funds DEMA is now required to spend to support the programs, leaving more funds available for acquisition.

National media buy calendar

Be A Diver national advertising campaign will be developed to generate as many consumer impressions every year as possible by linking to publications and websites that address the target audience. An example of such an advertising and PR campaign appears herein. All stakeholders in the diving industry should look for ways to leverage this powerful acquisition campaign to grow diving, and benefit their business or organization.

DEMA will seek the advice of a major advertising firm to provide creative, and placement of print and television advertising on behalf of the industry as part of this acquisition campaign.

PR events

DEMA will develop a two-year long calendar of national promotional events designed so that any retailer or other stakeholder can participate and act as a “multiplier” for the Be A Diver campaign. In addition, DEMA will continue to use the Scuba Tour and the Diving Weekend Program to capture regional media attention for diving.

PR events may include scuba tour events, diving weekend events, career fairs, environmental-related events, wounded warrior project programs, and other events surrounding each holiday in the US. Some events should be national, while others can be used to raise awareness of diving regionally, especially in large markets that contain an appropriate proportion of our target population.

(Example) Be A Diver Planning Calendar

January	February	March	April
Plan now for spring events at www.dema.org	List your businesses and organizations at www.BeADiver.com	Register your diving events and businesses at www.BeADiver.com	Promote Diving Season Openers
Travel Promotions	Travel Promotions	Travel Promotions	Travel Promotions
Scuba Tour to make appearances at winter boat, sports and travel shows	Scuba Tour to make appearances at winter boat, sports and travel shows	Scuba Tour events	Scuba Tour events
Regional PR with Scuba Tour	Regional PR with Scuba Tour	Regional PR with Scuba Tour	National Ad Campaign
Be A Diver National PR Campaign			

May	June	July	August
Mother's Day	Scuba Tour events	Scuba Tour events	Scuba Tour events
Travel Promotions	Travel Promotions	Travel Promotions	Vacations
Memorial Day Weekend	Father's Day	Plan sales and events	
Scuba Tour events		4th of July Weekend	
		Vacations	
National Ad Campaign	National Ad Campaign	National Ad Campaign	
Regional PR with Scuba Tour	Regional PR with Scuba Tour	Regional PR with Scuba Tour	Regional PR with Scuba Tour
Be A Diver National PR Campaign			

September	October	November	December
Scuba Tour events	Good time for Direct Mail promotions	Seasonal Gift Ideas	Holiday Promotions Season
Labor Day Weekend	Travel Promotions	Travel Promotions	Scuba Tour events
Career Fairs	Scuba Tour events	Scuba Tour events	
	Career Fairs	Career Fairs	
	National Ad Campaign	National Ad Campaign	
Regional PR with Scuba Tour	Regional PR with Scuba Tour	Regional PR with Scuba Tour	Regional PR with Scuba Tour
Be A Diver National PR Campaign			

Youth Market Campaign

Conduct a "grass roots" campaign for the youth market, running concurrently with the baby boomer campaign. This campaign will incorporate:

DEMA Show

Scuba Tour

Diving Weekend program

Science educator event at

DEMA Show

Aquatic Career Fair

Scholarship program

The Aquatic Career Fair program is explained in more detail in the appendix.

Promotional Guide for DEMA member use

DEMA will produce a written guide for members to use which should help them to use the messaging from this acquisition campaign to build recognition of diving. The Guide will be available to DEMA members only, and will be available on-line. Any member will have access to download such important items as:

Logos	Outdoor Billboard Graphics
Images	Direct Mail – Flyers
Customizable Ad Templates	Direct Mail – Postcards
Magazine Ads	Direct Mail – Envelope Stuffers
Newspaper Ads	Movie Theater Ads
Yellow Page Ads	Public Service Announcements
Posters	TV Spots
Banners	Radio Spots
Window Decal	Order Forms
Web Site Banners	

Members will also be able to download the final version of the Strategic Plan (this document) from www.dema.org to help them understand the rationale behind the acquisition campaign.

Non-endemic partnerships

Following this overall campaign, DEMA will eventually approach appropriate non-endemic advertising partners in order to stretch our limited promotional dollars.

It is apparent at this writing that diving does not hold enough “branding” equity to interest non-endemic partners in the short run. However, by measuring the success of the overall campaign, and gaining visibility in the marketplace, it should be possible to find partners willing to participate with the diving industry and to increase the reach of our limited promotional dollars.

Measuring Results

Certification Census

Overall, the success of the campaign will be evaluated using the DEMA US Certification Census to measure the results of the acquisition campaign.

The overriding goal is to increase the number of divers “certified” at the entry level by 10% as measured over a 24 month period from the public launch of the campaign. This is approximately 16,260 new certified divers.

Projected Gross Industry-Wide Sales

As the goal is to increase the number of divers “certified” at the entry level by a rate of 10% as measured over a 24 month period from the public launch of the campaign, there should be a corresponding increase in gross sales. As measured using “standard” industry figures and the 2006 certification census, a 10% increase in the number of newly certified divers should result in the following:

2006 Certification Census: 162,605

10% increase: 16,260 new divers as a result of this campaign

Assumptions:

- 100% of students will pay an average of US\$150 per course
- 100% of students will pay an average of US\$125 for mask, fins, and snorkel
- 20% of all newly certified divers purchase a full kit of equipment (Regulator, BCD, Computer): Value: US\$1,500
- 78% of all certified divers travel in the first 12 months after certification: Value: US\$980 each

Certification Course/book/materials revenue: 16,260 certifications x ~\$150 each =	\$ 2,439,000
Mask, fins, snorkel sales revenue: 16,260 certifications x \$125 each =	\$ 2,032,500
Retailer equipment sales: \$1,500 x 20% buying full kit x 16,260 new divers =	\$ 4,878,000
Travel revenue: \$980 each x 16,260 new divers x 78% =	\$12,429,144
Projected Industry Revenue Generated By Be A Diver	\$21,778,644

Retail Campaign

This effort will involve individual retailers receiving information about customers in their region, and assistance with their promotional approach to acquire more divers. Use of the PSYTE database will assist with determining location of target customers, as well as indicating prime locations to place new or re-locating stores. Information about media and the correct messaging for the regional target market will be provided to the retailer.

In addition, an assessment of the store’s capability to meet the expectations of the target customer will be made based on which target group is regional to the store.

Measurements:

1. Number of retailers increasing their promotional efforts and offerings to acquire new divers.

Goals:

- At least 50% of all DEMA member retailers should indicate an increase their acquisition efforts by the end of the first 12 months following launch
- At least 75% of all DEMA member retailers should indicate and increase their acquisition efforts by the end of the last 12 months

Website

The website should provide a “landing place” for the potential consumer who becomes interested in diving as a result of the Be A Diver campaign. The website will be designed to help “close” the sale (ie: encourage additional contact with the industry).

Measurements:

1. The number of website views per month
2. The number of click-through views to participating DEMA members

Participation by Manufacturers, Diving Media and Training Organizations

Members should encourage their associated retailers and resorts to increase their efforts at diver acquisition through the use of their own acquisition materials supplemented as needed by Be A Diver materials.

Measurements:

1. Determine the number of companies that participate by encouraging their associated retailers’ acquisition efforts and by establishing web links to Be A Diver.com

Goal: At least 75% of DEMA members have encouraged their associated retailers to increase their acquisition efforts, and have established web links form their company websites within 12 months of launch.

Scuba Tour

Beginning in 2008, a 24 month assessment of events incorporated into the Scuba Tour will be made:

Measurements:

1. Diving weekend regional promotional program
 - Number of promotional weekend programs in which retailers participate during Scuba Tour stops
 - Level of media coverage during regional promotional programs
2. Diver acquisition
 - Number of new customers taking certification classes as a result of the Scuba Tour stop.

Goals:

- An average of 15,000 people each year try diving in the Scuba Tour pool
- Increase from the current 10% “close” rate to 15% close rate by the end of 24 months following the initiation of the campaign.

Diving Futures

A 501 (c) 3 non-profit charitable organization that operates as an umbrella for several DEMA-related programs which saves money and allows contributors to take a tax write off for contributions.

Measurements:

1. Amount of money donated to the following programs:

- Ships 2 Reefs
- Career Fair/Science Educator Programs
- Disaster Assistance
- Scholarship Program

National media buy

Retailer will be asked to report any results they experience from the advertising campaign, using reporting forms contained in the Promotional Guide.

Measurements:

1. Number of new customers who saw the campaign in the selected media vehicles and entered the retail store.
2. When and where the campaign was seen

Supporting Discussion

Current Marketing Situation

The following data sources are quoted in this section:

- Dive Center Business Magazine – Store Closings and Openings, February 2007
- Small Business Administration Annual Business Study
- DEMA Certification Census (2000 – 2006)
- PSYTE Lifestyle Segmentation Database, 2005

In 2004 DEMA began working on a strategic marketing project to increase the number of new customers (diver acquisition). The original goal of the project included securing marketing partnerships with other industries (non-endemic companies) that share a common vision, and a common customer, with the goal of generating positive exposure for both parties. In order to accomplish this original goal, DEMA solicited bids from a number of marketing firms, and ultimately the Board of Directors decided on Daniels and Roberts Inc. (D&R), a firm based in Florida. D&R indicated that in order to accomplish the goal of securing non-endemic partnerships, it would be necessary for the industry to have data on the diving consumer that was verifiable from third party lifestyle databases. DEMA contracted to secure this data through D&R, and ultimately, with the assistance of the DEMA Promotions Committee, information on more than 300,000 actual diving customers was obtained using the US Census, credit reporting agencies and other third party databases.

In addition, with the approval of D&R, DEMA altered the original D&R proposed methodology to include the use of a web-based survey to directly determine the level of activity of current diving customers. More than 3,800 customers responded to the survey, which provided the basis for understanding the demographics, psychographics (lifestyle, buying behavior) of the most active divers, as well as some never-before affirmed detail regarding certain aspects of active consumer behavior.

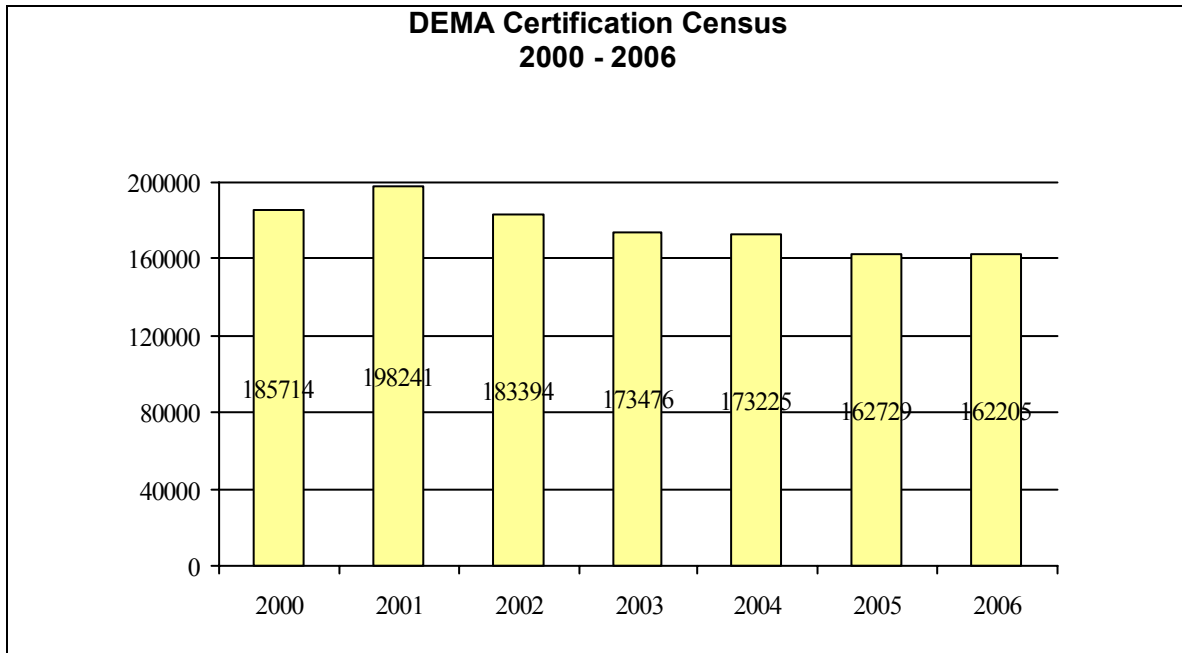
The data gathered from the third party databases, and the information gathered from the diver activity survey is used to develop this marketing plan.

Growth of the Industry

Recreational diving is a specialty activity, and the industry is composed of manufacturers; training organizations; media, associations and consumer shows; specialty retailers; and travel providers. Current estimates of the size of the industry vary, with most resources acknowledging 2.5 to 3 million active divers in the US.

According to the DEMA Certification Census (a quarterly assessment of certifications issued in the US which seeks to count the unique open water level certifications issued by the major training organizations), the number of newly certified divers each year has remained relatively stable over the last few years, with a decline of about 2.5% per year, beginning after the events of September 11, 2001.

DEMA Certification Census	
Year	Open Water Certifications Issued
2000	185,714
2001	198,241
2002	183,394
2003	173,476
2004	173,225
2005	162,729
2006	162,205



Diving revolves around the travel market and the changes taking place in the travel market since September 11, 2001 have impacted all aspects of the diving industry. However, recreational diving has substantially “held its own” in spite of these issues. According to Dive Center Business Magazine (February 2007), even with significant changes in gas pricing and other travel and leisure-related issues, the net number of dive centers in the US has dropped by a relatively small number – a net decline of 92 stores between 1999 and 2006.

US Dive Stores Opened and Closed By Year*		
Year	Opened	Closed
1999	134	161
2000	98	101
2001	99	142
2002	142	94
2003	65	75
2004	80	64
2005	89	98
2006	88	152
TOTAL	795	887

***Dive Center Business Magazine, February 2007**

By comparison, the Small Business Administration indicates that about 92% of all US small businesses will close five years or less after they open (and average of about 18% per year). The diving industry has a better than average track record with regard to the net number of stores remaining open for business.

Today's Active Customer

Who is today's diver? DEMA's recent US marketing study of actual diving customers shows the following general profile:

- Age – Between 38 & 53 years old – Mean: 45 Median: 46
- 76% are male
- Household Income – 56% make between \$75,000 and \$100,000
- Occupation – 80% are White-Collar/ Professional/ Technical/ Management
- Home ownership – 93% own their own home
- Mortgage amount – Median of \$148,000
- Marital Status – 71% married
- Presence and age of children – 17% have kids under 18

DEMA's study of diver activity also gives some insight into the type and degree of participation seen in the most active customer:

- It appears that no one single activity causes a diver to remain active (to be retained as a customer). Instead, by definition, an "active diver" appears to participate in a SERIES of activities, the quantity of each activity varying with the customer
- Nine different diving activities were found to be common to the MOST ACTIVE participants:
 1. Number of additional certification courses after initial certification
 2. Number of overnight dive trips made in the 12 months preceding taking the survey
 3. Number of days spent on most recent dive trip
 4. Number of dive trips (no overnight stay) made in the 12 months preceding taking the survey
 5. Number of lifetime international dive trips
 6. Number of scuba dives made in 2005 and 2006
 7. Number of visits to local dive store made in the 12 months preceding taking the survey
 8. Amount spent on scuba equipment in diving lifetime
 9. Amount spent on scuba equipment in the 12 months preceding taking the survey

Today's Customer: An Analysis: Using both the level of participation and the median income of the lifestyle cluster as criteria, DEMA determined that there are five different potential target customers distinguished by lifestyle (as measured by the products and services they buy). These lifestyle segments, categorized by the lifestyle segmentation database known as PSYTE are as follows:

PSYTE Cluster Number	PSYTE Cluster Name	Cluster Median Income
2	Executive Domain	US \$124,295
3	Nouveau Manors	US \$97,584
6	Balancing Acts	US \$91,612
9	Suburban Wave	US \$76,499
13	Sierra Snuggle	US \$72,952

The data indicate that this is the “Baby Boomer;” An individual with an extremely high value set and correspondingly high expectations. In the US this individual is highly sought after by all marketers, but especially marketers of luxury products in search of individuals with high disposable income. This target is comfortable with (and demands) the trappings of wealth and luxury consistent with his/her profile. From a destination and lifestyle experience perspective, this is the same target sought after by Four Seasons and W Hotels alike.

Additional details for each lifestyle cluster are given below.

“Executive Domain”

- 2.4% of the US population
- HHI: 2.3x the US median
- Geographic locations shown
- Vehicle preferences (2005):
 - o Audi TT
 - o Mercedes Benz CLK
 - o Hummer Hardtop
- Median HH Income: \$124,295
- Age: 57% are 35 to 54 years
- 85% married
- 53% HH have 2+ persons
- 42% College (up to Master's)
- 86.2% White Collar

Cluster 2

Executive Domain



Cluster Highlights

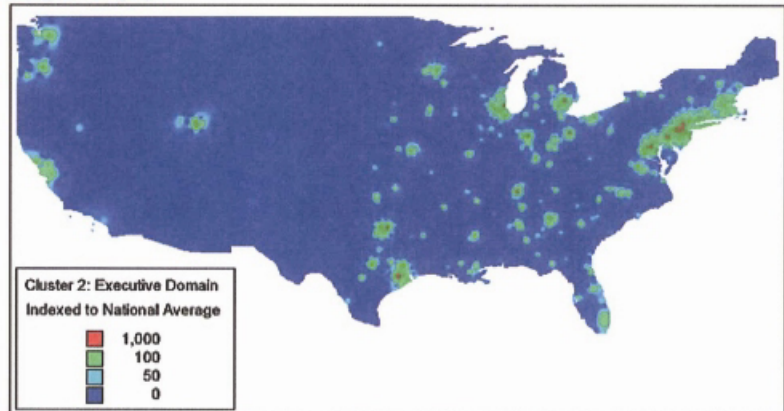
	Cluster Relative
Population	2.4%
Households	2.1%
Household Population	2.4%
Group Quarters Population	0.7%
Median Household Income	230
Mean Household Income	239
Per Capita Income	217

Vehicle Preferences

AUDI TT
MERCEDES-BENZ CLK
HUMMER HARDTOP

Top business executives are busy and territorial. Their domain includes influential lifestyles as well as land. This cluster indexes highest on business managers, financial and health care professionals. They are families with kids; executives in peak-earning years – aged 35 to 59. Sixty percent are dual-earner couples. They have the biggest homes – most rooms and lowest average number of persons per room. They are educated with graduate and professional degrees; 88 percent are white, non-Hispanic. The remainder are “minority executives” indexing especially high on Asian householders.

Cluster Distribution



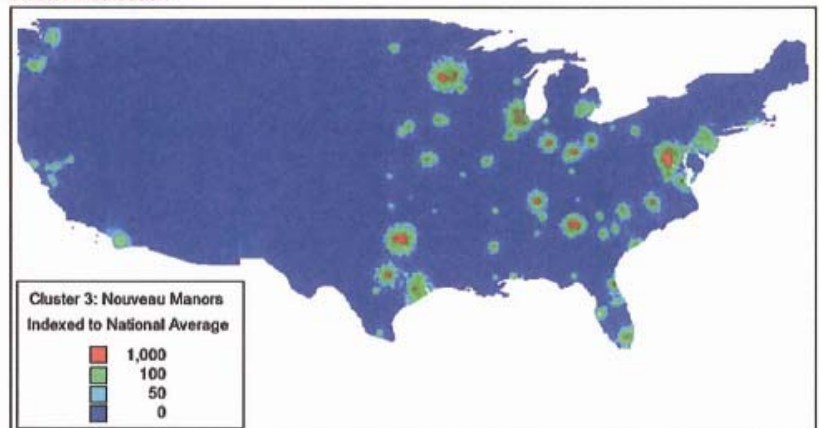
“Nouveau Manors”

- 0.9% of the US population
- HHI: 1.81x the US median
- Geographic locations shown
- Vehicle preferences (2005):
 - o Ford Explorer
 - o Honda Accord
 - o GMC Yukon
- Median HH Income: \$97,584
- Age: 60% are 35 to 54 years
- 74% married
- 88.5% HH have 2+ persons
- 49% College (up to Master's)
- 82% White Collar

Cluster 3**Nouveau Manors****Cluster Highlights**

	<i>Cluster Relative</i>
Population	0.9%
Households	0.8%
Household Population	0.9%
Group Quarters Population	0.1%
Median Household Income	181
Mean Household Income	186
Per Capita Income	144
Vehicle Preferences	FORD EXPLORER HONDA ACCORD GMC YUKON

Nouveau riche, yes, but also nouveau house. And not just a new house but a relatively large, new house. This cluster indexes highest on the newest homes, built since 1995. They are householders aged to 30 to 44 with families and children. They can afford the extra space as they have one of the highest indexes on dual-earner, college-educated couples. They are 80 percent white, non-Hispanic, but Asian, Hispanic, and African American new homeowners are also represented.

Cluster Distribution

“Balancing Acts”

- 1.7% of the US population
- HHI: 1.7x the US median
- Geographic locations shown
- Vehicle preferences (2005):
 - o Ford Explorer
 - o Ford Windstar
 - o Honda Civic
- Median HH Income: \$91,612
- Age: 61% are 35 to 54 years
- 70% married
- 89% HH have 2+ persons
- 38% College (up to Master's)
- 75% White Collar

Cluster 6

Balancing Acts



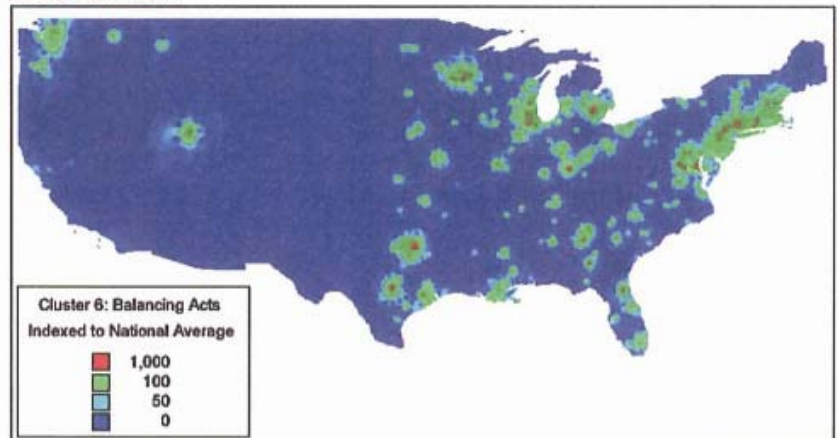
Cluster Highlights

	Cluster Relative
Population	1.7%
Households	1.4%
Household Population	1.7%
Group Quarters Population	0.3%
Median Household Income	170
Mean Household Income	157
Per Capita Income	135

Vehicle Preferences	FORD EXPLORER FORD WINDSTAR HONDA CIVIC
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Rush home from work, improvise dinner, pick up the kid(s), greet the spouse in the fog of go, go, go. These dual-earning couples in the suburbs are not necessarily two professionals trying to combine career and family but they manage. This is "soccer mom" country, and a "balancing act" because of the high proportion of school-aged kids and working parents. They have relatively new homes, 90 percent owner occupied, and are college educated scientists, information industry, and health care workers sharing high-speed internet connections. Fully 90 percent are white, non-Hispanic with an average family income of \$97,000. Go figure...and work out tomorrow's family schedule.

Cluster Distribution



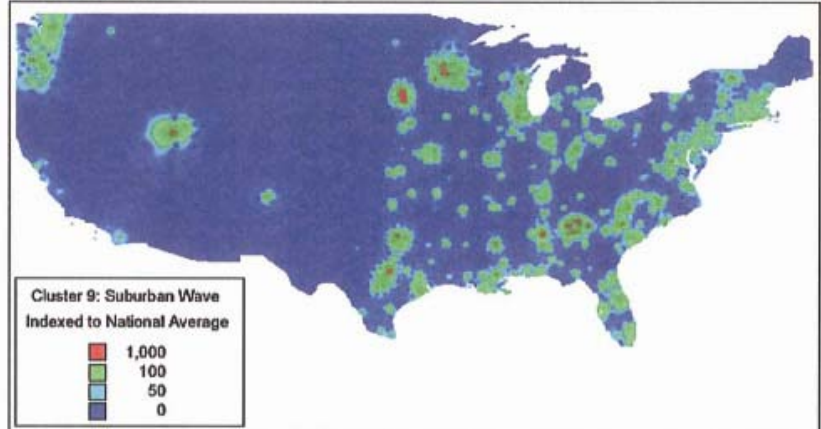
“Suburban Wave”

- 2.1% of the US population
- HHI: 2.0x the US median
- Geographic locations shown
- Vehicle preferences (2005):
 - o Isuzu Rodeo
 - o Saturn LS
 - o Ford Explorer
- Median HH Income: \$76,499
- Age: 54% are 35 to 54 years
- 67% married
- 84% HH have 2+ persons
- 35% College (up to Master's)
- 73.5% White Collar

Cluster 9**Suburban Wave****Cluster Highlights**

	<i>Cluster Relative</i>
Population	2.1%
Households	2.0%
Household Population	2.1%
Group Quarters Population	0.6%
Median Household Income	142
Mean Household Income	132
Per Capita Income	124
Vehicle Preferences	ISUZU RODEO SATURN LS FORD EXPLORER

Caught between preserved green space and hold-out farmers, this relatively new housing cluster – 30 percent of homes built since 1995 – represents trailing edge baby boomers and leading edge baby busters. They are the highest percent of households living in suburbs and working in central cities. They are families with children, college-educated professionals with a relatively high 62 percent dual-earning couples. Ethnically 80 percent are white, non-Hispanic but all other minorities are represented. Their mean family income is \$83,000 enough to make the mortgage payments and take a nice vacation.

Cluster Distribution

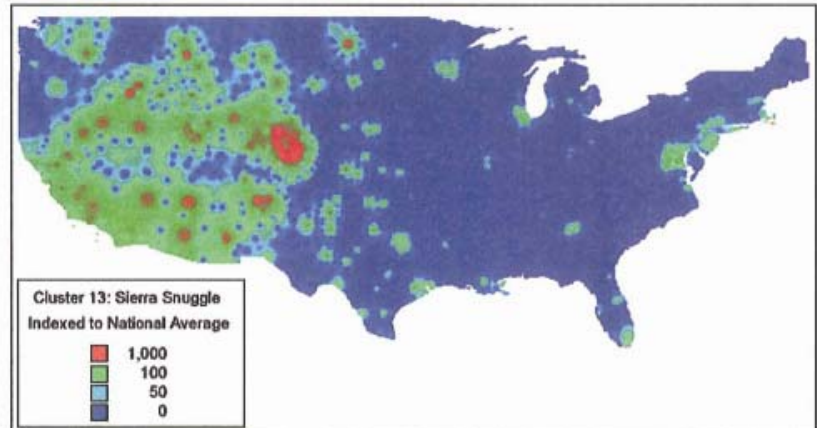
“Sierra Snuggle”

- 2.6% of the US population
- HHI: 1.35x the US median
- Geographic locations shown
- Vehicle preferences (2005):
 - o Isuzu Rodeo
 - o GMC Yukon
 - o Toyota RAV4
- Median HH Income: \$72,952
- Age: 55% are 35 to 54 years
- 63% married
- 85% HH have 2+ persons
- 30% College (up to Master's)
- 68.5% White Collar

Cluster 13**Sierra Snuggle****Cluster Highlights**

	<i>Cluster Relative</i>
Population	2.6%
Households	2.3%
Household Population	2.6%
Group Quarters Population	0.5%
Median Household Income	135
Mean Household Income	123
Per Capita Income	110
Vehicle Preferences	ISUZU RODEO GMC YUKON TOYOTA RAV4

While not all woodsy log cabins this segment indexes high for new home construction in Colorado and other high-growth mountain and Western coastal states. The segment contains young families with kids (45 percent) in an 80/20 owner to renter mix. College educations and dual-earning couples boost mean family income to \$77,000. These folks are single and newly married couples postponing children. Naturally, because of the omnipresence of aging baby boomers there are a few 50+ folks with empty nests, all the better to snuggle. This cluster's Western skew accounts for its 12 percent Hispanic population.

Cluster Distribution

Opportunity and Issue Analysis: Strengths, Weaknesses, Opportunities and Threats

This section contains information regarding some of diving's current strengths, opportunities, weaknesses and threats, as well as information on some of the competitive issues that face the industry, as these apply to the diver acquisition campaign. In addition to describing these issues, data from several sources is quoted to help the reader understand the analysis. Each section describes the sources of data used to draw the conclusions provided.

The analysis throughout this section of the DEMA acquisition campaign marketing plan helps to form the basis for the action items needed to help acquire divers, including the messages that will help overcome objections and barriers that may prevent non-divers from getting involved in the activity.

Strengths

Businesses in the diving industry have many positive internal qualities (strengths) that set the industry apart from other industries in the recreation business. Information from this section is derived from the following sources:

- Audited Media Information for DEMA's Scuba Tour – Nielsen Research
- Certified Diver Study – PADI Market Research and Development
- Non-diver Study, Flexo, Hiner and Partners (FHP) for PADI, 2003

Strengths

- Diving is a fun activity and is seen as fun, enjoyable, and exciting by those that are currently certified – participants also see diving as a way to socialize as well as participate in a healthy activity. In a 2003 study of 11,918 certified divers from PADI, the following responses were gathered using the descriptive words shown:

Descriptive Term	Totally Agree	Agree	Total
Fun	81%	17%	98%
Enjoyable	79%	19%	98%
Exciting	67%	27%	94%
Exploring	52%	37%	89%
Adventurous	53%	35%	88%

- Once tried, scuba diving seems to stick with the consumer. Many, who have tried scuba in a resort environment, even without completing a certification course, consider themselves “divers.” The diver “attrition” (drop out) rate has remained substantially unchanged since 1988. From the 2006 certified diver study:
 - o Research indicates that the average diving customer half-life is about 5 to 7 years; that is, about ½ the population of customers certified today will cease diving activity (drop out) in 5 to 7 years, with another ½ of the same population dropping out 5 to 7 years later, and so on. These 2006 research findings are very similar to the findings published by DEMA in 1988 in the document *DEMA Diver Erosion Study*
- Diving is popular with the media – it is seen as “unusual” and draws media attention. This has been borne out by the 2006 AUDITED media attention DEMA has been able to acquire through the Scuba Tour:

Source	Total Media Impressions	US\$ PR Value
2006 Broadcast TOTALS	24,952,090	\$6,602,420.98
Print and On-line TOTALS	23,074,144	\$573,445
2006 TOTALS	48,026,234	\$7,175,865.98

- Diving has a devoted following among the professional members, especially retail members – this is one reason for the success of the diving industry. Many retailers and charter operators start out as hobbyists in the business,

and become devoted professional members of the industry. These stakeholders tend to be brand loyal, but very independent.

- Consumer brand loyalty – Many consumers are very brand loyal. This can be seen in the loyalty divers demonstrate in their training organization (“I am a _____ diver”) and in their equipment purchases.
- DEMA is in a supportive position and has funds to provide that support. DEMA is taking steps to be responsive to the marketing needs of the industry. The result is that data-driven strategies are being consistently applied to the industry.
- Strong education of consumers – the education of the diving consumer is excellent, as evidenced by the admirable safety record of diving.
- Strong desire to do business better – even with the limited time available to industry professionals, there is a demonstrated strong desire for better education, and doing business better. Retailers and others attend seminars and various education programs offered by industry stakeholders (ie: at DEMA Show, Business of Diving Seminars, Scuba University, etc.) and others from outside the industry.

Weaknesses

Like any industry, the diving business has its share of internal weaknesses that should be addressed in order to elevate the activity in the minds of the target consumer. Information for this section is derived from the following sources:

- DEMA Diver Acquisition Project Participation Study, 2006
- Certified Diver Study – PADI Market Research and Development, 2003
- Non-diver Study – Flexo, Hiner & Partners (FHP) for PADI, 2003

Weaknesses

- Dive retailing is a “micro-business” – most stores generate less than \$1,000,000 in gross sales annually. With only small amounts of resources available these businesses have little margin for business errors.
- Dive retailing is often a family business, with only a few full-time employees, and often employing part-time instructors and others. Consequently dive retailers have very little spare time. While education is readily available from many of the industry stakeholders, retailers have little time to take advantage of these programs. The result is that there are weaknesses in the retailing base – one of the major points of contact with the end-user consumer. Additionally, many retailers are hobbyists that have decided to go into the diving business – with little business training, many of these new business owners make errors in setting up and running their operations.
- Low profit margins - many retailers use loss leader approach to generating sales or attracting customers, resulting in low profit margins – this is probably related to the fact that many industry professionals start as hobbyists opening a dive business.
- Many retail, charter and travel dive businesses may unintentionally create obstacles to participation. This is usually evident in any business situation where the micro businesses have insufficient personnel or insufficient profitability to be more flexible in policies and procedures. In an attempt to make it possible for the micro business to function, rules may be established that do not recognize that convenience is one of the keys to keeping diving viable and convenient. For example, a reluctance to offer modular education in the format in which it was designed (which is very convenient) and instead requiring that all customers attend specific course schedules, making attendance more difficult for time pressured customers, seems to be a common practice.
- Equipment design may discourage consumers from participating – the weight and configuration of diving equipment may be unintentionally creating barriers to participation and purchases. For example, with much of the target market participating when traveling, many divers do not bring their own diving equipment because of the weight and bulk of much current equipment on the market. Additionally, since the target is an older customer, there may be a need to make high quality instrumentation with fewer complex features and larger readouts for easier readability.

- Little business research is available – while this is beginning to change, there still remains relatively little hard data on which stakeholder businesses can rely. The result is that there is much misinformation and guessing on the part of professional members, causing missteps along the way – because of the lack of hard data, many members of the industry have perpetuated incorrect information.
- Inconvenience - Diving is not inherently convenient. It requires planning and effort for the consumer to participate. Because the target consumer for diving is typically time-pressured, lack of convenience is a major problem for the industry. This may be one reason why diving has become such a strong activity during vacations, rather than an activity that is perceived as a readily accessible local activity.

According to the 2003 FHP Study of Certified Divers, among those that did not participate in the previous 12 months, the number one reason was time:

Objections to Scuba Diving Divers absent for 12 months	Unaided Response Rate	Total Mentions (aided and unaided)	Predominant Age Group	Target Group?
Do not have time	26%	69%	16-49	X

- Sales - All members of the profession working in a diving retailer store must recognize the need for good sales training, and be willing to participate in selling. It has been shown in several research studies over the years that the number one influence on the diving customer buying decision is the instructor – 61% of all diving consumers rely on the advice of their diving instructor.

Without adequate training and motivation to sell, it is less likely that a potential sale will be quickly closed to the satisfaction of both the store and the customer. The instructor is a key to sales, and as such should be a part of the sales team, demonstrating equipment use in the pool and open water sessions, and the classroom when possible.

Opportunities

There are tremendous opportunities for the diving industry. Many of these opportunities provide clues to the messaging that will be helpful in acquiring more divers. Many different sources of data are used in this section on Opportunities, including:

- DEMA Diver Acquisition Project Participation Study, 2006
- Audited Media Information for DEMA's Scuba Tour – Nielsen Research, 2006
- Certified Diver Study – PADI Market Research and Development, 2006
- Non-diver Study – Flexo, Hiner & Partners (FHP) for PADI, 2003
- Knowledge Networks, Baby Boomer Travel Study for AARP, 2005
- Report on Qualitative Research Study Among Non-Divers – Crane Research, 1985
- The Outdoor Recreation Participation Study – The Outdoor Industry Association Foundation, 2005
- Nielsen//NetRatings.com, 2003
- Jupiter, 2003
- U.S. Bureau of the Census and the National Center for Health Statistics, 2003
- Forethought.com, 2001
- Netvalue.com, 2001
- Pew Internet & American Life Project, 2001

Opportunities

Outdoor Activity Participation In The US

- Following the events of September 11, 2001, many specialty recreation activities fell dramatically in participation. The Outdoor Industry Association Foundation, in its "Outdoor Recreation Participation Study" for 2005, indicated the following:
 - o Participation in overnight backpacking declined 22.5%
 - o Participation in bicycling declined by 20.5%
 - o Participation in fishing declined by 21%
 - o Total outings declined by 11%

By comparison, beginning with 2002, annual diving certifications have fallen by around 12% - considerably less than some other activities.

- The Outdoor Industry Association Foundation also indicates that in 2005:
 - o Participation in swimming grew by 20%
 - o More Americans participated in water-sports related vacations in 2005 (up 5%) over 2003
 - o One third of the 60 million active travelers vacationing specifically for outdoor activities are over the age of 45.

Clearly, with many of the benefits of activity sought by baby boomers, and with the baby boomer's predisposition to water-related activities, diving has growth potential with this group.

- Diving is a very attractive activity to the media – in response to the target market's interest in adventure activities, there is more media attention to diving and the underwater environment than ever before. Such television programs as *Deep Sea Detectives*, and the variety of National Geographic and Discovery Channel programming that revolves around diving, adventure, environmental issues, etc, has made diving very visible. There is far more diving-related television coverage today than in the days of *Sea Hunt* (1958) or *The Aquanauts* (1960).
- DEMA has plans to provide an infrastructure that makes marketing education and good business practices accessible. As part of promoting diving as an appealing activity for baby boomers, DEMA can act as a facilitator to:
 - o Help develop methods of making the equipment more appealing to this market
 - o Help develop methods by which diving can be made more convenient for the consumer
 - o Create an infrastructure that helps to reduce the barriers to entry for the baby boomer. For example, it is well-known that customers only shop in stores which fit with their self-image. Some retailers will need assistance to meet the expectations of the target customers.
- The target market is web savvy. Retailers and others can become more visible to the target group by using the web to promote their presence and offerings in the marketplace. In addition, retailers can serve potential customers better by making it as easy as possible for prospects to commit to classes through use of flexible training schedules, private lesson options, online training, at home study, and other methods.

Statistic	Source	Date
Online buyers, ages 50 and over, will account for almost one-quarter of all online retail spending by 2007, and older users are more likely to make an Internet purchase due to an online ad, with 30 percent claiming to have done so versus only 19 percent of the overall online adult population.	Jupiter	01/23/2003
Internet, with the number of people 55 or older online predicted to more than triple from 11 million in 1999 to 34 million in 2004 when they will account for 20 percent of all users.	Forethought.com	03/15/2001
Retired seniors, who account for slightly more than 10 percent of the Net population, go online an average of 15.9 days a month, more than any other group in the U.S. They also click twice as many banners as students do -- 3 on average, compared with the average of 1.5.	Netvalue.com	02/07/2001

Baby Boomer Travel

The Baby Boomer generation represents some 78 million people, ranging in age from their early to mid 40's to the early to mid 60's. As such there are sufficient numbers in this age group to allow the diving industry to focus on it for growth.

- As stated, data from the Outdoor Industry Association Foundation indicates that baby boomers are predisposed to water-related activities on vacation, and according to a PADI study of their own customers, 78% of divers travel for the purpose of diving within 12 months following certification. Because travel is such an important part of the diving industry, and an important aspect of the Baby Boomer generation, it is appropriate to study the Baby Boomer market from the perspective of travel.
- In reviewing data from reports such as the 2005 Knowledge Networks Baby Boomer Travel Study (survey included ages 41 – 59), it is clear that the Baby Boomer market is active, healthy and seeking adventure.
 - *A majority of boomers consider themselves adventurous (55%) and nearly 8 in 10 boomers (77%) consider their own travel experiences more adventurous than their parents.*
 - *The top five U.S. states, cities or areas boomers mentioned regarding their adventure travel, in order, were Las Vegas, Florida, New York, Hawaii, and Colorado (Note that several are strong diving states).*
 - *The top five locations boomers would like to visit on their dream trip are located on the following continents or territories, in order, the United States, Europe, the Caribbean, Australia/New Zealand, and Africa (Note that several locations are prime diving areas).*
- US baby boomers age 41-59, see themselves as younger than their age might imply and a majority consider themselves adventurous. They certainly consider themselves more adventurous than their parents. Findings from the 2005 study also suggest that many boomers have traveled to exciting and exotic destinations. Many have also participated in adventurous activities not only while on adventure travel but also as a part of their leisure activities.
- Boomers reported participating in a wide range of leisure activities. They also reported doing many of these same activities while on their most adventurous travel. Findings suggest that, while boomers have traveled to some wonderful locations, it's clear they still have travel dreams to fulfill.

Diving fits well with the benefits sought by activity participation

Why do our potential customers (Baby Boomers) get into any new activity? The 2003 FHP Study of 750 divers and non-divers revealed the following information about the benefits sought from recreational activities:

Benefits Sought	Near Home	Vacation	Predominant Age Group	Target Group?
Do something fun and uplifting	95%	96%	30-39	
Be in an environment that you enjoy	82%	97%	20-59	X
Relax	86%	89%	30-59	X
Spend time with family and friends	84%	87%	20-59	X
Get away from every day routine	83%	87%	40-59	X
Do something for your health	90%	73%	30-59	X
Be closer to nature	71%	81%	20-59	X
Do something exciting or thrilling	65%	81%	16-49	X
Experience something new or different	60%	84%	16-59	X
Have time to yourself	78%	64%	50-59	X
Explore	57%	84%	30-49	X
Be challenged physically	73%	58%	16-39	
Develop skills or mastery	59%	46%	16-19	
Do something competitive	54%	35%	16-29	

- A 1998 study of non-divers, sponsored by DEMA and conducted by the Bulldog Drummond Company appears to confirm the findings of both the 2005 Knowledge Networks Travel Study and the 2003 FHP studies. Each of these studies are similar in their findings, and clues to the messaging that can place diving into the potential activity set for this market can be derived from each.

Scuba diving fits into these sought-after benefits

- From the FHP survey, it also appears that *non-divers* in the target market CURRENTLY perceive that scuba diving will provide the following benefits:

Benefits of Diving Currently Perceived by Non-diver Baby Boomers	Definitely Beneficial	Probably Beneficial	Predominant Age Group
Spend time with friends and family	34%	31%	16-59
Do something for your health	34%	33%	16-59
Be closer to nature	67%	24%	16-59
Do something exciting or thrilling	62%	26%	16-59
Experience something new or different	69%	21%	16-59
Explore	67%	24%	30-49
Be challenged physically	52%	29%	16-59
Develop skills or mastery	43%	34%	16-59

Such a positive current perception among non-divers makes it easier to construct a message that rings true for them. For the future, once the acquisition campaign is established, messaging can be developed to address any additional misperceptions about the benefits derived from diving participation.

Threats

Diving exists in a heavily populated recreational market. While diving competes within individual stakeholder groups (ie: retailer to retailer) as does any business, its most challenging competition comes from other activities that vie for the time and money of the target consumer.

Information contained in this section comes from a number of sources:

- DEMA Diver Acquisition Project Participation Study, 2006
- Audited Media Information for DEMA's Scuba Tour – Nielsen Research, 2006
- Certified Diver Study – PADI Market Research and Development, 2003
- Non-diver Study – Flexo, Hiner & Partners (FHP) for PADI, 2003
- Knowledge Networks Baby Boomer Travel Study, for AARP, 2005
- Report on Qualitative Research Study Among Non-Divers – Crane Research, 1985
- The Outdoor Recreation Participation Study – The Outdoor Industry Association Foundation, 2005
- International Air Transport Association – World Air Transport Statistics, 2007

Threats

- Media attention on diving tends to be negative, focusing on sharks and perceived dangers – the diving industry has endured much negative press from the movie industry – beginning most prominently with *Jaws* in 1975. Most entertainment films focus on the “dangers” of the aquatic environment or on “dangerous” animals.
- Many non-divers apparently perceive diving to be dark and dangerous – it appears that the media attention surrounding the “dangers” of diving has had a tremendous impact on the public's perception of diving.
- Travel restrictions and increased costs are negatively affecting the diving business – fewer people were traveling by air following September 11, 2001. Many travelers today are returning to airline travel, but it is more expensive and there are numerous restrictions to travel that make it more difficult to take diving equipment on water sports-related or diving vacation. This has likely impacted equipment sales to consumers, and probably impacted those thinking about diving as an activity. In addition, according to the International Air Transport Association (iata.org) the rate of growth of passenger airline travel is likely to slow in 2007 compared to the high rates of participation seen in the last three years.
- Diving is not very visible in the real world because so much of it takes place below the surface. As a result many consumers know little about diving except what they see in the media. Studies completed during the last 20 years confirm these misperceptions and objections. In order to be successful in acquiring more customers, the industry must overcome these perceptions with messaging that addresses the specific concerns of the consumer. In creating the right messaging, one of the most important issues for DEMA is to understand the perceptions about diving and the potential objections non-

diving consumers may have to participation in scuba diving. This knowledge will help position diving and guide the advertising and promotional campaign. Unfortunately, only a very few major studies of non-diving consumers have been conducted during the last 22 years in an attempt to understand non-diving consumer attitudes. Information from two is presented here.

Perceptions about scuba diving

- The Crane Report focused on baby boomers more than 20 years ago by conducting focus groups in three major markets; New York City, New York; San Diego, California; and Chicago, Illinois. Although dated, and only a qualitative study (with little statistical verification), the report does make some recommendations that still seem to ring true today;
 - o The world of scuba diving – including the environment, equipment and behavior – needs to be positioned as and made to feel and appear less foreign. In addition, feelings of comfort, security and “belonging” need to be communicated in order to counteract consumers’ current feelings of inadequacy and fear. People need reassurance that they are in control while diving.
 - o The industry should consider positioning the world of scuba diving as an extension of the familiar, rather than a totally different or strange universe. For example, positioning the water as “part of the world we live in,” rather than “another” world. Or, “see the world; go diving,” versus “see the strange new world of diving.”
 - o Since the idea of scuba diving feels so overwhelming to a majority of non-divers, gradually introduce them to the sport, rather than all at once. Continue to offer and expand one-time introductory seminars, including in-pool use of basic equipment as well as an overview of what to expect and what’s involved. These allow consumers the opportunity to feel what it’s like to wear tanks and be able to breathe underwater. At the end of this experience, offer more information about the world of scuba diving as well as class registration (Note: This fits well with the DEMA Scuba Tour).
 - o (Since there is an overwhelming perception that diving is primarily a male dominated sport)...a non-sexual positioning should be developed much like that of skiing, tennis and volleyball. For example, the industry could identify, cultivate and publicize female role models for scuba diving. The role models should be anti-stereotypes, such as older women. The industry should avoid well-known sports figures as spokespersons since their endorsements might easily be misconstrued to mean that superior strength and athletic ability are necessary in order to become a scuba diver.
 - o The major perceptual issues concerning people’s willingness to try scuba diving seem to be cost (training as well as equipment and participation), learning (time, complexity, cost), risk (constant and tremendous danger), and accessibility (water, sense of exclusivity).

- Cost: The relationship between value and cost is the key issue. Primarily this can be addressed by indicating that this is a lifetime activity and an investment. The reality is that diving is not more expensive than other activities enjoyed by the target consumer group. (NOTE: It is interesting that “cost” is less of a deterrent to today’s targeted baby boomer segment than it was 20 years ago. However, cost remains an issue with younger market segments - see the 2003 Non-Diver Survey conducted by Flexo, Hiner & Partners below)
 - Learning: Most respondents imagined that learning how to dive is intense, difficult and complicated. The report recommends that there be a shift away from “how to avoid danger” to “reward/enjoyment of diving.”
 - Risk: The idea of scuba diving being challenging and adventuresome is a more advantageous viewpoint than the consumer’s current understanding of it as “dangerous” and “threatening.” Shift consumers from a “frightening” point of view, to an “exciting” one.
 - Accessibility: Consumers need to understand how scuba diving fits in to today’s lifestyle. Scuba should be made more visible to consumers. The industry should invest in advertising and promotion to increase both the volume and the impact of messages. Greater exposure will make scuba diving more accessible and less threatening.
- o Based on the research conducted at the time, there seems to be a variety of different benefits or “hooks” that might still be considered during promotion today:
 - The relaxing effects of being immersed in water
 - The soothing comforts of the calmness and quietness underwater
 - The thrills and challenges of a new experience awaiting you each time
 - The relative ease and fun of learning how to dive
 - The ageless quest for growth and self-fulfillment
 - Sharing the beauty and tantalizing sensations of being underwater with someone about whom you care
 - The picturesque scenery and fascinating exposure to underwater creatures and life forms.
- Common Myths revealed in the Crane Report study
 - o Diving is an isolated experience
 - o You are breathing pure oxygen
 - o You breathe differently than you do on land
 - o Dives are usually between 50 and 200 feet deep
 - o You have to be in top physical condition to dive. You can’t be overweight or smoke and you must be very strong
 - o It’s dark and murky underwater and difficult to see
 - o Sharks are deadly and they are everywhere

- o It's very cold underwater
- o You cannot see anything underwater if you normally wear contact lenses or corrective eye glasses
- o There is no margin for error when scuba diving. Once false move and you're dead.

Objections to scuba diving

- The 2003 Non-Diver Survey conducted by Flexo, Hiner & Partners (FHP), surveyed 239 non divers who were aware of, or familiar with scuba diving, but had never tried it. In response to the question, "what is the main reason you have not tried scuba diving before?" respondents gave the following answers:

Objections to Scuba Diving Non-Divers	Unaided Response Rate	Total Mentions (aided and unaided)	Predominant Age Group	Target Group?
Do not live near places with diving	16%	62%	16-29	
Expensive	13%	56%	16-39	
Do not have the time	8%	53%	16-49	X
Do not vacation in places with diving	1%	38%	20-29	
Too dangerous or frightening	7%	36%	40-59	X
No one to do it with	2%	36%	16-59	X
Do not know where to go to learn	2%	31%	16-39	
Learning takes too much time	1%	31%	30-49	X
Do not know anyone who dives	1%	28%	16-59	X
Too difficult	0%	18%	40-59	X
Too much work or effort is needed	1%	18%	16-59	X
Not very popular	1%	17%	40-59	X
Afraid of water	10%	16%	40-59	X
Not in good physical condition	1%	16%	40-59	X
Not a good swimmer	3%	15%	40-59	X
Medical reasons	2%	14%	40-59	X
Concerned about quality of training	0%	14%	16-59	X
Physical problems like ears hurting	1%	11%	40-59	X
Too boring	0%	5%	16-59	X
Don't own equipment	1%	2%	16-59	X

- Among those who had tried diving in the past but who had not been diving in the past year, the following were considered objections to diving (FHP):

Objections to Scuba Diving Divers absent for 12 months	Unaided Response Rate	Total Mentions (aided and unaided)	Predominant Age Group	Target Group?
Do not have time	26%	69%	16-49	X
Do not live near places with diving	18%	68%	16-59	X
Do not own equipment	2%	54%	16-19	
Expensive	11%	50%	16-19	
Need a refresher course	0%	49%	30-59	X
Do not vacation in places with diving	2%	37%	20-49	X
No one to do it with	2%	30%	16-59	X
Don't know anyone who dives	1%	22%	16-59	X
Too much work or effort needed	2%	16%	16-59	X
Too dangerous or frightening	2%	12%	16-59	X
Physical problems like ears hurting	2%	11%	50-59	X
Not in good physical condition	2%	11%	50-59	X
Had a bad experience scuba diving	2%	10%	16-59	X
Not very popular	0%	9%	16-59	X
Medical reasons	4%	9%	40-59	X
Too difficult	1%	8%	16-59	X
Afraid of water	1%	5%	16-59	X
Not a good swimmer	1%	4%	16-59	X
Too boring	0%	3%	16-59	X
Learning to dive takes too much time	1%	2%	16-59	X

- The final messaging DEMA eventually adopts should address these objections in order to encourage participation. Messaging components should also address competing activities that are within the set of activities common to the target market.

External Competition

External competition for the dollars and time that could be spent on diving is one of the greatest threats to the sport. The wide spread use of the internet, the many other outdoor activities for which our target market is predisposed, and even family activities are major uses of resources that could be spent diving locally or while traveling.

- With the types of activities in which the target audience currently participates in mind, diving, as a “brand of activity,” should be “positioned” in the minds of the consumer in a way that encourages participation. In order to position properly, the differences between these other activities and diving should be determined. The most likely set of activities against which diving must be positioned are those other prominent activities in which baby boomers participate. According to the Knowledge Networks’ 2005 Travel Survey, the following are the “top 10 adventure activities on the most adventurous trip” of baby boomers age 41 to 59:

1. Hiking/backpacking/rock and mountain climbing
2. Escorted or guided tour
3. Snorkeling
4. Camping (tent)
5. Fresh or saltwater fishing
6. Horseback riding (tied for 6th)
6. Biking (tied for 6th)
7. Whitewater rafting/kayaking
8. Sailing
9. RV camping
10. Scuba diving

- In addition to the previously quoted data, the 2003 Non-Diver Survey produced by FHP indicates that the following activities were looked toward favorably by the Baby Boomer target group (as well as younger age groups):

Activities	Very Favorably	Somewhat Favorably	Favorability Total	Predominant Age Group
Camping	53%	31%	84%	20-49
Hiking	48%	42%	90%	20-49
Sailing	49%	40%	89%	40-49
Snorkeling	43%	39%	82%	16-59

- While a full analysis of all competing activities may not be feasible, it is possible to review the competition created by other adventure activities common to the target market. Doing so can help to construct the messages that can help compete with these activities.

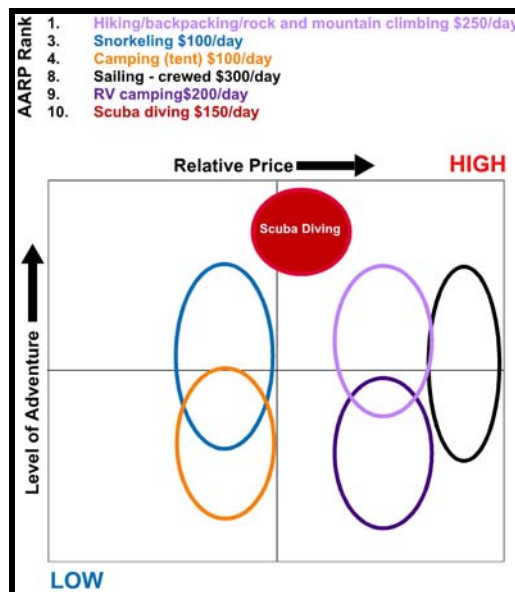
Designing an Advertising Message for the Diver Acquisition Campaign

Messaging

Messages can be constructed around a variety of criteria:

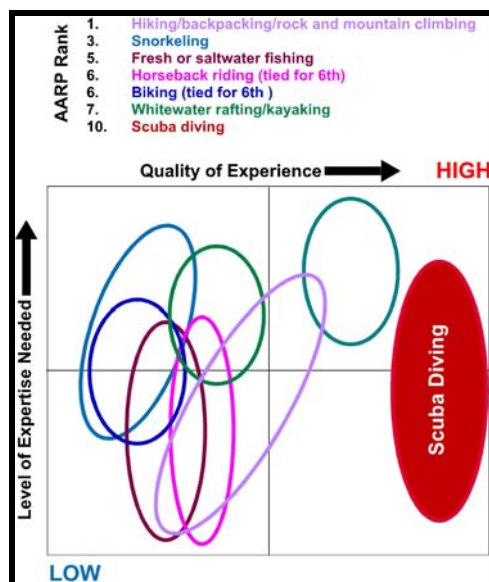
- Positioning diving against other competing adventure activities
- Positioning diving to address the expectations and perceptions of the target market about scuba diving
- Addressing non-diver objections to scuba diving
- Promoting benefits of participating in scuba diving

The following “perception” matrix analysis compares the variables of relative price and level of adventure with several activities common to the target consumer.



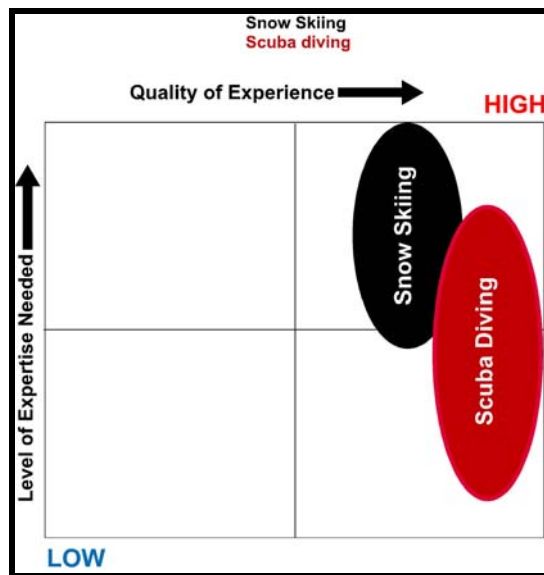
Diving: Perceived Adventure vs Relative Price of Activities (FHP)

- Using the data from several of the quoted studies, the following perception matrix can be used to help develop a message to compare the level of expertise needed versus the quality of experience:



Diving: Quality of Experience vs Level of Expertise Needed – High Adventure Activities (AARP)

- Another example using snow skiing is presented below:



**Diving and Snow Skiing:
Level of Expertise Needed vs Quality
of Experience**

- This perception matrix indicates that, although snow skiing can provide consumers with a fabulous experience, more expertise is needed than for scuba diving for a comparable quality of experience.
- Given these perception matrices, it is possible to develop a message that helps to “position” diving as a brand of activity using these parameters.
- The following are the top five perceived objections (total mentions) to entry as noted by non-divers:

Objections to Scuba Diving Non-Divers	Unaided Response Rate	Total Mentions (aided and unaided)	Predominant Age Group	Target Group?
Do not have the time	8%	53%	16-49	yes
Too dangerous or frightening	7%	36%	40-59	yes
No one to do it with	2%	36%	16-59	yes
Learning takes too much time	1%	31%	30-49	yes
Do not know anyone who dives	1%	28%	16-59	yes

- The issue of “No one to do it with” and “Don’t know anyone who dives” can be addressed using a photos of multiple divers, along with a simple message.
- Other perceptions among those that have never tried diving, as well as those that have tried it but haven’t participated in the last 12 months can help to guide the messaging that will appeal to the target market. The message should address the issue of adventure and amazement and use photos to help illustrate the fact that diving is not accomplished alone, nor is it dangerous or too time consuming for those that have the time and money.



APPENDIX

Promotional Program Descriptions

Promotional Program Descriptions

Many of these programs are currently underway at DEMA. All integrate well with the Be A Diver branding campaign, and will help to get additional visibility for diving in each region the Scuba Tour visits.

Career Fair

DEMA produced the first “Deep Ambitions” Aquatic Career Fair at DEMA Show 2006. Since then DEMA has produced a number of these Career Fairs, holding them at consumer dive shows around the US.

These events have helped to:

- Draw local and national publicity
- Get local children and their parents acquainted with diving and aquatic-related activities and careers
- Widen the base of those businesses that get involved with consumer dive shows (by encouraging such exhibitors as local colleges with marine science programs)
- Draw attention to diving for the general public through media

Career Day events can be co-located and held in conjunction with many different events:

- o Consumer Dive Shows
- o IMAX film premiers
- o Adventure Travel and other consumer shows in which the Scuba Tour currently participates
- o Beach cleanup or other environmental events
- o A general promotion of diving in the region using DEMA member retailers.

DEMA has organized Deep Ambitions Aquatic Career Fairs through the Principals of high schools located local to the targeted event. Involving the school administration and teachers has been helpful in determining how to best involve students in the opportunity and also to talk to them about diving and marine related careers. Many high schools offer biology, ecology, physical education, and other programs that discuss the aquatic environment. It is through these types of classes that interest will be most readily generated.

Diving Week/Diving Weekend

The Scuba Tour pool’s visit will be used to create a “Diving Week” or “Diving Weekend” in each city visited so that some media buzz can be created leading up to the visit, and promoting DEMA member retailers. To accomplish this will involve a concerted effort to involve all DEMA member retailers in doing a localized promotion that is appropriate for their market, working with their training agency or equipment manufacturer, or using some other “hook” of their own design to promote their store to prospective clients (not a “sale” but a true promotion describing the benefits of diving to a target audience). The promotion

for diving would be city-wide to the extent possible and presents DEMA with an opportunity to ask all retailers to join DEMA and participate.

Information from each city-wide event will be retained on DEMA's website (see below) so that visitors will be able to see the stores that participate, photos of the event(s), and listings of participating DEMA member stores.

In addition to inviting the media to the event in which the Scuba Tour is placed, DEMA will provide b-roll footage on diving and scuba tour and other promotional tools to promote diving in the media, along with one or more of the following:

- A career day program in concert with the local school system (if appropriate), along with other aspects of the Youth Acquisition Program
- A major consumer event (including a consumer dive show when appropriate)
- A film festival if local DEMA member retailers can support it and if it does not create issues for the other consumer event
- Promote local diving or a ships2reefs program
- A beach clean up or another environmental event
- An IMAX film premiere

Although not every city could offer diving, and perhaps not every city is appropriate for this type of arrangement, by extending the reach and driving some publicity toward diving in general, and doing it consistently from city to city, this becomes an all-encompassing effort to get people to dive in the area, takes place over a couple of days (so there is more opportunity for publicity), and involves both acquisition and retention.

Scuba Tour cities will be selected based on their media markets and no city will be visited more than twice per year – with substantial time between the visits. This is to prevent the media from passing on coverage for an event simply because Scuba Tour has been there in the not too distant past.

Aquatic Vision Scholarship Program

Aquatic Vision is a competition for students of all interest, skill, and ability levels in grades K-12. Entrants must be United States or Canadian citizens or legal residents, living within the United States, U.S. Territories, or Canada and enrolled full-time in a public, private or home school. The purpose of the competition is to encourage students to combine their imaginations with the tools of science to create and explore a vision of a future underwater technology.

To prepare an entry, students work in groups of two, three or four, simulating Research and Development (R&D) teams, along with a team coach and an optional mentor. Each team selects an aquatic technology or environmental issue to explore. It can be any aspect of the environment or technology related to the aquatic realm. Students project into the future to envision what that technology could be like 20 years from now. Finally, they must convey their vision to others

through both a written description and five graphics simulating Web pages.

All inventions and innovations result from creative thinking and problem solving. When looking for ideas, students look at the tools and technologies that currently exist, identify a problem that a current technology does not solve, and then imagine possible solutions.

Who is Eligible?

There are four entry categories. Each entry category will be judged separately, based on the abilities of students in those grades. Students in a lower grade may be part of a team competing in the next higher entry category. However, students may not move down to a lower grade-level entry category. Aquatic Vision is an excellent way for students to learn how to work in collaborative learning groups on an interdisciplinary project.

- Primary Level (Grades K-3)
- Upper Elementary Level (Grades 4-6)
- Middle Level (Grades 7-9)
- High School Level (Grades 10-12)