

## Long-term Shifts in the RV Market Post COVID-19 - by Jeff Robbins

Social Distancing Accommodation. Before today, many people familiar with the term social-distancing probably had not heard of the term social-distancing accommodation. If you were to ask anyone that works in the RV industry, in all likelihood they probably have either heard of the term, or will soon become accustomed to.

The new reality is: what is happening in the country and around the world, is something many people would have never dreamed they would see. Airlines have grounded thousands of aircraft, people are stranded in far flung locations without tangible prospects of returning home, and shelter-in-place orders have mitigated movement between countries and states.

Situations like this, generally, can have a long-lasting impact on our social, recreational, and economic traversals. The RV industry has the potential to provide unique solutions to an extremely diverse set of individuals. Be it private or public sectors, recreational, medical, or temporary housing options, the RV industry is poised to be positioned as a solution for many. The question is, will companies be able to emerge after the COVID-19 pandemic ready to provide the solutions needed?

### **An Immediate Shift to Business as Usual**

What if you were a person who was suddenly stranded 1200 miles from home, while on a business trip, and you have no viable way to practice safe social-distancing or get home safely? Maybe, you are a medical worker, critical to the operations at your hospital, but you don't feel safe going home at night and potentially exposing your loved ones to the virus. Suppose you're an Administrative Director, at a large governmental agency accustomed to handling tornado response and hurricane relief solutions for people who have lost their homes and you need to place people in temporary accommodations. Finally, you are one of three siblings, who have elderly parents who want to be closer to the family, but can't easily move, travel, or be without the comfort and security of a home.

All of these scenarios, represent unique challenges that the current pandemic, being experienced by many around the world are going through at this moment. There are few industries or solutions that fit the bill, in terms of being able to provide a viable solution like the RV industry. The range of products and services that can be provided are vast, and the upside potential is what makes the future a bit brighter, in an industry valued at \$114 billion.

### **By The Numbers--RV's Provide Flexibility**

The COVID-19 pandemic has presented more business opportunities for the RV industry. Government, medical, custom rental, travel/camping, and unique personal circumstances, have all helped create business opportunities in the space.

According to a recent LA Times article, Cruise America, the biggest RV sales and rental outfit in the U.S., is currently renting about 100 RVs from its fleet of about 3,700 vehicles for commercial uses. A "substantial portion" of those are for government entities, businesses and medical centers — including the Mayo Clinic

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— that are responding to or dealing with the threat of the coronavirus, said Randall Smalley II, an assistant vice president at the Mesa, Ariz., company.

The drive-thru testing that was a key component of how South Korea tackled COVID-19 virus testing, and has been emulated here in the US, oddly enough has uncovered another need for an RV. As an example, the Mayo clinic has utilized RV's as rest areas to provide respite and to allow employees to get out of the elements. Healthcare providers, more and more, will eventually turn to alternative solutions for lodging and downtime, so that they don't impact patients or loved ones at home.

Currently, government agencies and state power/ utility companies have also leveraged RV's during this period. One RV company that operates nationwide, has rented 10% of it's fleet of 2,000 vehicles to help during the COVID-19 pandemic fight. Unique situations call for unique solutions.

Another opportunity that has popped up is the immediate one-way travel. Requests for these types of uses are up nearly 90% over the past few weeks. Being able to get home quickly, and without flying, renting a car, the need for a restaurant for food, or a hotel for lodging, can all be addressed by an RV.

Luxury RV's and motorcoaches are also finding unique applications for those that need to get away at a moment's notice, but don't want the fuss that goes along with owning an RV. There are RV companies that will cater to special needs, in order to provide the exact customer experience that is needed. RV's have also provided self-isolation and are rented to be parked outside the renters home, in order to provide isolation, but not exclusion for family members who are ill; yet don't require hospitalization.

From February 1st to March 11th, camping reservations at California State Parks were up 77%, cancellations were down 16%, over the same period. Private RV campground bookings , over the same period, were up 5%. The attraction and value for people renting RV's, going to RV resorts, and campgrounds, is that they can control the social interaction and distancing. In an RV, the consumer has their own bathroom, kitchen and living space, versus a crowded airport, car rental counter, or the shared space of a hotel. An RV offers a more secure space for a myriad of people that want to get away, social distance, or have a specific job or function that needs to be carried out; the RV fits multiple bills.

### **Dealers Impact Long-Term and Call to Action**

Given the shifts and adaptations in the RV market, the long-term prospects once the COVID-19 pandemic has reached a more manageable level, are endless. What is being experienced by society during this crisis, conventional wisdom indicates that people should be prepared, and will consider the unique options presented by owning or renting an RV.

Based on the potential in the RV space, a number of new offerings could be created to support what people want to do and how that experience can be enhanced by discovering the RV industry. Here are a few examples:

- **Concierge Planning Services:** imagine being able to go to a single website, rent an RV, set-up all of the campsites and RV resort areas you want to visit for the week, able to arrange car, motorcycle, jet

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ski rentals, and other recreational vehicles and toys to use, all from the convenience of your home. Similar to how a travel agent would plan and book travel, the RV industry is next in line for this.

- **RV Usage and Logistics Services:** the new norm is that people will want to rent the RV, but don't necessarily want to deal with sanitation and cleaning. Services could be created to provide these types of services as part of the rental program to ensure the RV is clean, and virus free, as well as serviced along the way.
- **No Contact Rentals:** RVs and camper vans that are pre-stocked with supplies, food, and recreational items, all specified as part of the rental agreement, and then dropped off at a designated location or the customer's home.
- **On-Site Home Vacation:** have guests that are visiting from out-of-town, that don't want to be at a hotel, want the closeness of family or friends, but want their own space; a luxury RV or motorcoach could be the answer.
- **Continue to do more digitally:** ensure that you have inventory pictures and accurate pricing. Of marketplace and dealer website visitors surveyed, nearly 85% said they'd be less likely to contact a dealer with missing or bad pictures, almost 75% said they'd be less likely to reach out to a dealer with no price listed, and 76% of people interested in renting an RV said they'd be more likely to contact a dealer who had complete detail about the vehicle (photos, price, and descriptions).

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