

# Bruynzeel Hechthout

*Strategic market research for the Dutch yacht building industry*

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## **Foreword**

This report is written for the plywood manufacturer Allin SAS in Le Vanneau, France, as a final thesis. The thesis is a part of the bachelor “International Timber Trade” at Hogeschool van Hall Larenstein.

The goal of the research is to create a clearer view of the market for Bruynzeel Hechthout in the Dutch yacht building industry. Before the acquisition of Bruynzeel Multipanel BV by Allin SAS Bruynzeel panels were sold directly by Bruynzeel Multipanel BV in the Netherlands. Since Allin SAS took over the production Bruynzeel panels are sold via dealers. To be able to make a future marketing plan a strategic market research is needed.

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## **Glossary**

Plywood: Type of manufactured timber made from thin sheets of wood veneer.

Okoumé: Tropical timber species from Gabon, DRC and Guiney.

Multiplex: Plywood with multiple veneer layers glued together.

Face veneer: The top layer on a panel with the highest quality.

Reverse veneer: The top layer with a lower quality than the face veneer. This side of the panel will mostly end up on the side where the panel is attached to the base.

Gaps: Spaces of air within the multiplex where two veneer sheets are glued together.

Lloyd's Certificate: Certificate that shows that the plywood is BS1088 compliant.

BS 1088: The BS 1088 specification is a marine plywood specification that applies to plywood produced with untreated tropical hardwood veneers that have a set level of resistance to fungal attack.

Suprahecht: A very high quality plywood made of mahogany veneers. This type of Bruynzeel plywood is so durable that it has a warrantee of 30 years.

# 1. Introduction

## 1.1 Research questions

Over the last five years Allin SAS experienced a decline in sales of Bruynzeel Hechthout in the Dutch yacht building industry.

The main goal of this research is finding the cause of the decline in sales of Bruynzeel Hechthout in the Dutch yacht building industry. To be able to give a valuable advice several sub-questions are made.

### Sub-questions:

- Who are the current customers for Bruynzeel Hechthout?
- Who are potential customers for Bruynzeel Hechthout? (What target group?)
- Who are the competitors and what is their added value?
- In what way is Bruynzeel Hechthout promoted in the Dutch marine sector?
- What are the most important criteria for the purchase of yacht building materials?
- How could Allin SAS raise its sales again in the Dutch yacht building industry and increase its market share again?

By making the market better to understand it becomes easier to make a strategy to increase the sales in the Dutch yacht building industry.

## 1.2 Research methods

Hechthout is a niche product. This means only few companies in the yacht building industry are (and are going to be) buyers of the product. To be sure these few companies provide valuable information it is chosen to visit the most important companies and to have interviews with purchasers of production workers to obtain more valuable information. If the research is done by sending questionnaires to yacht building companies there is a chance that some of the most important companies will not respond. This will decrease the value of the obtained information.

To know which companies can be considered as important the dealer for the Dutch yacht building industry, Houthandel van de Stadt, is interviewed.

The most important trade fairs for the Dutch water sports sector are visited to get a view of the current trends in the use of building materials.

## 2. Summary

Bruynzeel Hechthout is a high quality marine plywood made of okoumé. The product has a rich history in the international yacht building industry. The promotion of the product as a building material for the yacht building industry created the most popular sailing boat on the Dutch waters, the Valk.

Because of new technologies and a less intensive promotion of the product the market share has decreased over the years. Wood obtained a negative image as a yacht building material because wood can rot and it's said that it needs more maintenance than polyester. This is not completely true. If a boat made of plywood is maintained well it needs less work than a polyester boat. Marine plywood has many advantages compared to other building materials such as aluminium, steel and polyester.

Hechthout used to be produced in Zaandam by Bruynzeel. In 2003 the French company Allin SAS took over the production facilities and started producing Hechthout in Le Vanneau. Allin SAS is a plywood manufacturer that produces standard okoumé plywood for different markets. Hechthout is produced out of the highest quality veneers, mostly for the Dutch yacht building industry. Because the demand for Hechthout has been decreased a market research is needed to make a new strategy.

By visiting important (potential) customers of Hechthout information about the name and quality of the product is obtained. By talking with purchasers it became clear that the quality is a very important criteria for building materials. The name of a product is also very important. The image of wood influences the demand for marine plywood and the brand awareness plays an important role for the demand for Hechthout in particular.

To regain market share it is important to create more brand awareness. The rich history of the product can be used to promote the product. Because people who are working in the yacht building industry for a longer time will know how well known Bruynzeel used to be this category is an efficient target group. The younger generations may have not experienced the presence of Hechthout in the Dutch market in the sixties and seventies, but the older generation can influence the other generations.

For Allin SAS the product has the position of a dog in the "Boston Consulting Group model". Ten to twenty years ago the product has been positioned as a cash cow. To make the product a cash cow again it needs to stabilise its image and brand name again. Because Hechthout stands for the best quality it is a very suitable product for the exclusive yacht building industry. The Netherlands is a world market leader in delivering high quality super yachts.

The main competitors of Bruynzeel Hechthout are substitutes like honeycomb structures, composites, aluminium and steel. Due to a lack of communication and information lower qualities of plywood are forming a competitor as well. These cheaper plywood brands have a lower quality and price than Hechthout, the cheaper alternatives are chosen by many yacht builders instead of Hechthout.

Nowadays Hechthout isn't promoted very intensively in the yacht building industry. To rebuild the brand awareness of the product and to regain the trust in the product by current customers more communication and promotion is needed. People need to be confronted with

the product like they were in the sixties and seventies. Besides that a more personal approach of salesmen is needed to keep customers informed and to advise yacht builders during the building process.

To make the promotion of the product more effective the market is divided in four target groups:

Self-builders

Reparation and maintenance

New built medium sized yachts

The exclusive yacht building industry

The exclusive yacht building industry will be sensitive for the personal approach. Quality is one of the most important features of the yachts that are delivered in this segment. Allin SAS needs to win trust of the purchasers by informing about the technical features and added values of Bruynzeel Hechthout. By promoting the product on an international level by exhibiting trade fairs like the METS exclusive yacht builders from abroad might get interested in the product as well. Bruynzeel used to sell Hechthout in other countries as well.

For the other target groups it is important to keep the potential customer confronted with the product. This can be realized by advertising in significant magazines and by being present at trade fairs and sailing events.

### 3. The Company

Allin SAS is a French family owned manufacturer of various types of plywood. Allin SAS mostly produces standard panels (okoumé and poplar) for its main market, France. Allin SAS has its own poplar plantations, but purchases most of its wood, including poplar.



In the year 2003 Allin SAS acquired the Dutch company Bruynzeel Multipanel BV. The production facilities are now situated in Le Vanneau, near La Rochelle. Bruynzeel Multipanel BV used to be an internationally renowned producer of plywood for the yacht building industry. One of their most important products is Bruynzeel Hechthout. Bruynzeel Hechthout is a Gaboon (okoumé) marine plywood panel that is weather and water resistant and fit for outdoor uses. The material can also be used indoors as a support for the construction of the hull and interior or as a material for the hull itself.

Bruynzeel Multipanel BV still exists under the same name. The company is situated in Zaandam, in the area of Amsterdam. The company doesn't sell products anymore. They promote plywood for ceilings and acoustic purposes by visiting architects. This way only the construction industry is reached. Architects are able to recommend materials for a building project. If the architect recommends Bruynzeel plywood the builder will probably use it.

Nowadays, Allin SAS sells this product in the Netherlands under the Dutch brand name. In other countries Bruynzeel products are sold under the brand name Wooding by Allin Bruynzeel.

Because Hechthout is based on the highest quality of veneers, a top quality product can be guaranteed and Allin SAS can sell the product for a higher price. Otherwise the high quality veneers will be used for standard panels of a lower quality and a lower price.

## 4. The product Bruynzeel Hechthout

### 4.1 History

In the year 1939 Cornelis Bruynzeel, director of the Bruynzeel door factory, developed a new plywood, he called Hechthout. To prove the extremely high reliability of this plywood a new sailing boat class was developed. With the boat builder and designer E.G. van de Stadt Bruynzeel brought out the Valk. Bruynzeel intended to turn the Valk into an official race class as soon as possible, and succeeded to this in 1940. Although in those days, building boats in series was rarely seen. 350 boats were produced over the next two years. The first 200 were produced by Bruynzeel, but later on other boat builders produced Valks as well. Hechthout proved itself as a water-resistant building material for yachts. Companies like Waarschip and Kolibrie started to apply the material as well.



**Illustration 1:** Valk 1, the first Valk produced by Bruynzeel made of Hechthout. (Source: Aalbers P. (2010), 50 jaar Valk. Valk klassenorganisatie)

In the 1970's the Bruynzeel company was split up. The plywood factory became Bruynzeel Multipanel BV. This company continued producing plywood for the yacht building industry, and continued producing Hechthout. Their sales team was successful in selling it to the yacht building industry. They understood the market and knew what the customer needed.

### 4.2 Technical information

#### 4.2.1 Product information as on the website

The Bruynzeel Multipanel website ([www.bruynzeelmultipanel.nl](http://www.bruynzeelmultipanel.nl)) contains the following information:

*Bruynzeel Hechthout is a weather-resistant and water-resistant okoumé marine plywood, quality A/A (A sides have no joints and are practically defect-free).*

*Hechthout complies with the technical specifications of KOMO, EN 314-2 and is approved by Lloyds Register. The veneers are steamed okoumé veneers which are selected by hand. Only the best okoumé veneers are used as raw materials.*

*The production is based on the unique Hechthout®-technology. After production, the boards are inspected for both the technical and aesthetic qualities.*

*Fixing of the panels is possible with nails, staples, screws, adhesives or special mounting systems. The application has no COSHH implications. Due to the excellent strength and rigid properties, longer support distances may be used. This saves on the cost of support-timber and assembly, or a thinner board can be used.*

#### **4.2.2 Product characteristics**

The main component of Hechthout is okoumé. Okoumé is an African timber species that grows in Gabon, DRC and Guiney. The most important supplying country is Gabon. Before Gabon banned the export of unprocessed logs in 2010, logs were transported to Le Vanneau where they were processed to veneer. Allin SAS now purchases veneer from Gabon.

Only the best steamed veneers are suitable for Hechthout. During the production of veneer pieces of the sheets can break or tear apart. These pieces could be jointed together with glue to produce the right dimensions. For Hechthout only complete pieces are used. When two sheets of veneer are glued together gaps can occur. Because Hechthout is water-resistant, no gaps can be present. Gaps allow water to penetrate deep into the panel.

Each veneer sheet is graded before the production process. Only 3% of the veneer is suitable for the production of Hechthout. Veneers are selected by colour, structure and by errors such as cracks and gaps. The surface of the veneer must be very smooth so the veneers stitch better together so no air bubbles are occluded inside the panels.

The glue is a unique formula developed by Bruynzeel Multipanel BV. To produce the panels the sheets are glued together and machine pressed. After pressing the veneers together the panels are cut in shape and selected again. The panels with defects will not be sold as Hechthout.

Hechthout has an A/B quality grade. There are no other plywood brands on the Dutch market that can provide this quality grade. Nevertheless Hechthout to many consumers has the image of a standard okoumé plywood (grade B/B or even B/BB) with a higher price.

##### *Plywood Quality grades*

A: Face and back veneers practically free from all defects.

A/B: The face veneer is practically free from all defects. Reverse veneers with only a few small knots or discolorations.

A/BB: The face veneer is practically free from all defects. Reverse side permits jointed veneers, large knots, plugs, etc.

B/B: The panel has two technically perfect sides but the top layers can contain colour differences and small knots.

B/BB: Face veneer as reverse A/B. Reverse veneer as reverse of A/BB.

Because of the named characteristics Bruynzeel is able to give a warrantee on Hechthout. As the first producer of okoumé plywood in the Netherlands Bruynzeel started to add a warrantee to the plywood. Other brands started to copy this “promotion tool”. Now there are three more plywood brands on the market with a warrantee on their product. Not every brand offers the same warrantee. It is very hard to find out what the warrantee exactly means. Some brands only compensate the panel when something goes wrong, other brands compensate the labour costs as well. Bruynzeel compensates the panel and labour costs up to € 80.000,- if the panels are installed correctly.

Besides technical characteristics Bruynzeel Hechthout also has a history that is worth it to be communicated to customers. The strong brand name is partly based on a very well-known history. The product is known as a very high quality okoumé plywood, especially amongst people who work in the yacht building industry for a longer time. This generation has experienced the times that Bruynzeel was the only plywood producer for the Dutch yacht building industry. The name of Bruynzeel Hechthout is based on high quality and its history.

### ***4.3 Advantages of marine plywood***

Using marine plywood in the yacht building industry has many different advantages compared to using materials such as polyester, steel, aluminium and solid wood. Marine plywood can be seen as a composite building material because it is a combination of wood, glue, fibre glass and epoxy. The material is very suitable for building boats up to 18m. The most important advantages of multiplex according to D. Bouma (Holland Marine Hardware) are summed up below:

- A multiplex boat stays, even after being stored on land for several years, completely dry when it's launched back into the water.
- Boats made of a good water-resistant plywood need less maintenance than a polyester boat.
- When using marine plywood a boat is easy to build, so it takes less time to finish it. This is why the boats are relatively cheap.
- Marine plywood is very light and easy to process.
- Because boats built out of marine plywood are lighter than aluminium, steel and solid wood the water displacement is lower. This means that the boat needs less energy to move and it will be able to reach a high speed in less time.
- Another advantage of the light weight is that less trusses are needed to support the hull.
- The surface of marine plywood is very easy to paint.
- Because of the thermal characteristics of marine plywood it is not necessary to finish the inner side of the hull with an anti-condense layer.
- According to yacht designer A. Peltzer marine plywood supports the strength of the construction so naval architects have more freedom during the design phase if marine plywood will be the building material.

According to the Swiss Ecoinvest in Lausanne marine plywood also has environmental advantages. The effects on the environment of multiplex are:

- 2 times lower than using fiberglass or polyester.
- 4 times lower than a comparable carbon fibre boat.

- 6 times lower than using aluminium.

## **4.4 Customers and dealers**

### **4.4.1 End use**

Hechthout can be used for various purposes. It is used in the building industry as well as in the yacht building industry. In the building industry Hechthout is mostly used for cladding or it is used in the construction of a wall.

In the yacht building industry Hechthout can be used as an under layer for a deck or even for the hull of a ship. The hull of the popular Valk used to be made out of Hechthout.

Hechthout can also be used to make dividers. Dividers are the walls in the construction of a boat that separate the different rooms/spaces in the boat.

The most important end use of Bruynzeel Hechthout at this moment is exterior works. The exterior ceilings and furniture on a boat are mostly finished with veneer or paint.

### **4.4.2 Dealers network**

Bruynzeel Hechthout used to be sold by Bruynzeel Multipanel BV. After the acquisition of Bruynzeel Multipanel BV by Allin SAS, Houthandel van de Stadt became the dealer for the yacht building industry. Houthandel van de Stadt is a timber trading company that is specialized in selling timber to the flooring industry, the construction industry, the furniture industry and the yacht building industry. Because Houthandel van de Stadt is specialized in the yacht building industry a high level of service can be offered. Van de Stadt has salesmen who understand the market and who know what the requirements are of their customers in the yacht building industry.

Bruynzeel products are also used in the construction industry. The products for the construction industry are sold via other dealers. Suprahecht is also sold by these dealers. Trima and Leeuwerik are the dealers of Bruynzeel materials that are specialized in plywood for the building industry. Bruynzeel plywood is also sold by Stihl, RET and Houtgroep van Drimmelen.

### **4.4.3 Customers**

Since the introduction of new building materials such as polyester and other plywood brands the market for Hechthout has shrunk. Hechthout became a niche product. Exclusive yacht builders who want to add a classic and solid look to the yachts choose for more timber products than yacht builders who want to give a modern look to their yachts.

The small sailing boats for racing are often made of timber or plywood. Timber is lighter than polyester but needs more care. In some racing classes very old boats made of Hechthout are still participating in races. The boats are maintained well and because Hechthout has such a high quality the boats are as good as new. The few boats that are produced are mostly built by small yacht builders. The market is very small. Bruynzeel started the introduction of Hechthout in this type of boats. Hechthout is a perfect building material for these boats because of its water-resistance and its high durability.

Hechthout is sporadically used in the market for medium sized series-build yachts, e.g. by Winner Yachts who appreciate the classic look and high quality. Curiously, in reverse other yacht builders choose Hechthout for the modern look. Modern sailing yacht designs are often very suitable for plywood. The RM made in France by Fora Marine has the hull and interior construction made out of Hechthout.

Various Bruynzeel customers are noticing that the quality of Bruynzeel Hechthout is decreasing and the quality of some other plywood brands are increasing. None of the interviewed companies has chosen for a new material yet. According to T. Nelis there are still no better alternatives on the market. Only Waarschip has chosen for composite, but not because of the quality. According to L. Hijlkema the demand for wooden boats has shrunk too much.



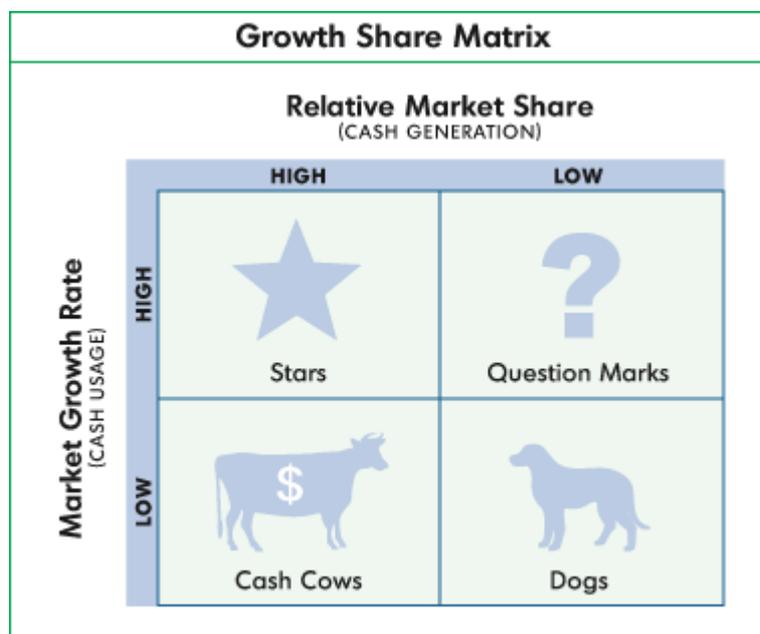
**Illustration 2:** RM during the production process. (Source: D. Bouma, Holland Marine Hardware)

## 4.5 Growth Share Matrix (Boston Consulting Group)

The Growth Share Matrix is a tool that can be used to place a product in a category to determine the growth rate compared to the market share. The model shows the potential of the product. The model can be used to choose a marketing strategy.

The model distinguishes four types of product: “Star, Question Mark, Cash Cow and the Dog”. The star has a high market share as well as a high growth rate. The question mark has a low market share but a high growth rate. Cash cows have a high market share but a low growth rate and dogs have a low growth rate as well as a low market share.

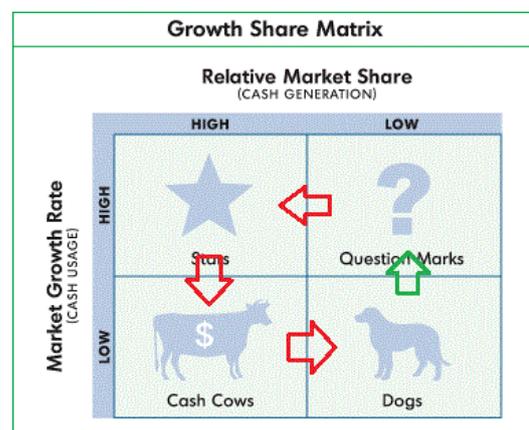
Bruynzeel Hechthout can be qualified as a dog. Due to the financial crisis and because cheaper alternatives are available, the market for Hechthout isn’t growing and the market share shrinks.



It hasn’t always been like this. In fact, Bruynzeel Hechthout has been qualified as each category in the Growth Share Matrix. When Hechthout was introduced in the market the product could have been qualified as a “question mark”. Because the product was new in the yacht building industry, the market share was still low but the growth rate was very high. After the introduction of the Valk the market share grew and it became a very common building material in the industry. The “question mark” became a star.

After some years the market became very constant. There was no growth but Hechthout was a very obvious choice of building material. The product was still promoted to remind yacht builders to use Hechthout and in that time the presence of alternatives was still low. Other plywood brands were not able to reach the quality of Bruynzeel.

Nowadays technology has been developed and more alternative products have entered the market. Both new products are now being used in the yacht building industry, and other plywood brands



have improved their quality. Hechthout lost market share and became a dog. According to the strategies linked to the growth share matrix the company should lose the product if the product has no strategic importance for the company. A dog can also become a question mark. To make the product a question mark again, a marketing strategy is needed to create a higher growth rate. The image of the product could be changed or new markets could be entered.

## **5. The market**

### **5.1 Customer types**

Bruynzeel Hechthout is a building material that was used to build the hull of the Valk. After the introduction of the material more types of customers discovered the advantages of plywood in the yacht building industry. To create a clear view of the market for Hechthout the market is divided by the following target groups:

- Self-builders (building kits)
- Reparation and maintenance
- Newly built medium sized yachts
- Exclusive yachts building industry

Besides the yacht building industry Allin SAS serves the building industry as well with Bruynzeel products. The volumes of Hechthout are higher in the construction industry where it's mostly used for cladding.

#### **5.1.1 Self-builders**

The market for building kits is very dynamic. There are contradictory signs that the market has shrunk and there are signs that the market has grown. In this market Hechthout is its own competitor. Because the self-built boats are mostly built and maintained by very passionate owners and because the building material is very durable, most of the boats stay as new for decades. This means less new boats have to be built to satisfy the demand for this type of boats. The market for used boats is very active in this segment.

A company like Evecom has changed its focus from selling building kits to yacht mediation. The market for building kits is a niche market. Big volumes are not realistic for Allin SAS in this segment.

#### **5.1.2 Reparation and maintenance**

Over the last decades many boats are made of Hechthout and Suprahecht. Because plywood is lighter than polyester many racing boats are made of plywood. Racing in sailing boats is very often done in old boats. These boats have to be maintained and repaired with a suitable material. People who choose to buy a used wooden boat are mostly passionate about the boat and the material. They are prepared to pay more to get their boat in a good state. Hechthout is the perfect solution for this end use.

Boats that are finished with Hechthout as an exterior solution also have to be maintained or repaired. This market is a niche market as well but it will never disappear. There will always be a demand for top quality okoumé plywood.

#### **5.1.3 New built medium sized yachts**

The current market developments show that less wood is used in the yacht building industry. Instead, more alternative products are used like polyester and aluminium. Because building hulls from aluminium and steel makes the use of dividers made of plywood unnecessary. Plywood is now mostly used as an interior solution and less as an exterior solution. For

interiors lower quality plywood can be used because the plywood isn't exposed to extreme conditions.

A yacht builder such as Winner Yachts chooses to use Hechthout for the dividers in the yachts. The high quality and solid look were the reasons to keep using the material. Because of the availability of alternatives and new building styles like composite building Hechthout will stay a niche product in this segment.

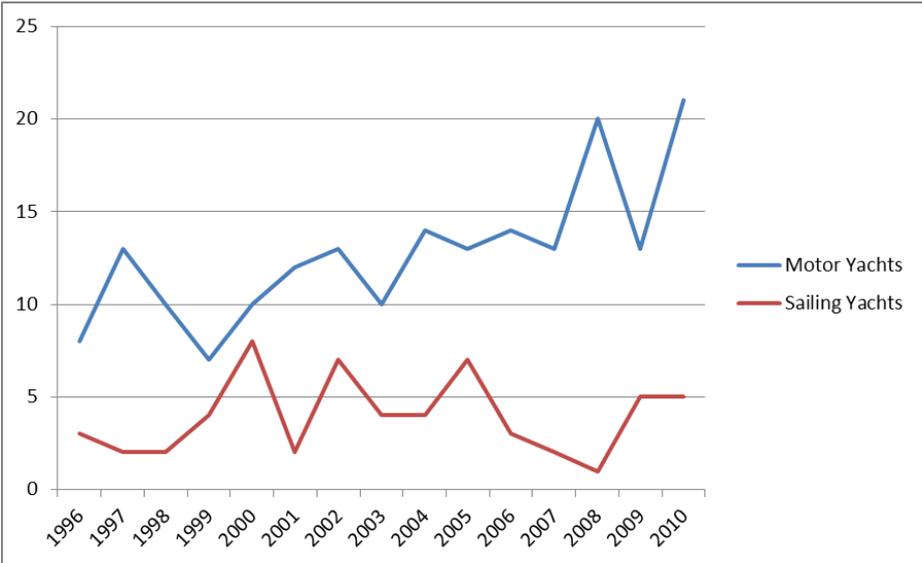
### 5.1.4 Exclusive yacht building industry

In the exclusive yacht building industry Hechthout is still used in bigger volumes. When a yacht is built in a classic style more timber products are used to give the yacht a classic look. The quality is a very important factor in this segment. Because the yachts that are built in this sector are very expensive no risks can be made by using low quality products. Royal Huisman Shipyard uses Hechthout to produce exterior furniture. Only the best quality is suitable for this end use in this particular market segment.

Until a few years ago the under layers for the installation of a teak deck were also made of multiplex. The decking parts were nailed to the under layer so each part could be installed under pressure and the installation goes faster when using an under layer.

Nowadays new techniques like the vacuum technique are used to install decks. It isn't always necessary anymore to use an under layer. When the decking parts have to be installed in a bow-like shape and the parts have to be installed under high pressure it is easier to use an under layer. In case an under layer is used it is very important that this under layer is durable. In case the deck has a leak and the under layer is exposed to water the reparation costs are lower when a water-resistant under layer is used because the water penetrates further in the plywood when the material isn't water resistant.

The Dutch exclusive yacht building industry is well known over the world. The Netherlands is the number 3 in the world when it comes to numbers of produced yachts over 25m. The exact numbers of produced yachts can be found in Appendix 18. Graph 1 shows that the amount of motor yachts produced in the Netherlands is growing. The demand for sailing yachts is lower than the demand for motor yachts and the growth of the demand is not very predictable.



Graph 1: The amount of produced super yachts in the Netherlands over the last 14 years (extracted from Appendix 18)

## 5.2 Porter's five forces

To create a better overview of the competition Porter's "Five forces" model can be used. The model contains the following elements: "Rivalry among existing competitors, Threat of new entrants, Threat of substitute products or services, Bargaining power of suppliers and the Bargaining power of buyers".

### The Five Forces That Shape Industry Competition



from "The Five Competitive Forces That Shape Strategy" by Michael E. Porter, *Harvard Business Review*, January 2008

#### 1. Rivalry among existing competitors

It is questionable whether or not Hechthout has direct competitors. There are no companies in Europe that offer a water resistant A/A quality okoumé plywood. Other okoumé plywood brands can be considered as another product. The glue formula is different from Hechthout and the quality of the veneers is lower. No other plywood brand has reached the quality of Hechthout yet. This means that if you need the best quality, there is no other option but Bruynzeel Hechthout. For exterior applications Hechthout is considered as the best solution. Because of the high price of Bruynzeel products many companies decide to choose for other plywood brands. These brands have always had a lower quality than Bruynzeel.

#### 2. Threat of new entrants

Various Bruynzeel customers are noticing that the quality of Bruynzeel Hechthout is decreasing and the quality of some other plywood brands are increasing. This means that other plywood brands are turning to be direct competitors. When the quality of other plywood brands reach the quality of Bruynzeel Hechthout, these brands can be considered as new entrants. It is very important for Bruynzeel to keep the lead. As long as Bruynzeel produces the highest quality it will be more difficult for other brands to enter the highest segment.

#### 3. Threat of substitute products or services

Where okoumé plywood used to be the most obvious choice of material, nowadays more alternatives are being applied: polyester, steel, aluminium or composite. When building with composite (epoxy combined with another material) okoumé plywood can be used to give shape to the hull. Because the material is completely isolated by epoxy medium quality plywood is suitable for this application.

Bruynzeel Hechthout used to be a suitable material to use as an under layer for a teak deck on a ship. The teak lamellas were nailed to the under layer so the parts can be installed under pressure. Nowadays a teak deck can be easily installed without using an under layer by applying the vacuum technique. Only when the lamellas have to be installed under a high bending pressure using an under layer is a good solution.

For exterior applications Bruynzeel Multipaint seems to be a suitable product. Hechthout is only used sporadically. For interior applications other materials such as honeycomb structures are used, finished with veneer. Poplar plywood is also often used for interior applications.

People are also willing to use substitutes due to the current image of wood in the yacht building industry. Nowadays wooden boats are associated with work. This image makes polyester, steel, composite and aluminium boats more popular. This is not a fact. *H. van de Stadt: "A valk made of Hechthout is more user-friendly than a poly-valk (polyester valk). When a valk made of Hechthout is maintained well, it will last longer than a polyester boat maintained with the same care. Polyester degrades because of osmoses. There are no ways to prevent this process from happening."* Although polyester boats need a lot of care as well, wooden boats still have the image.

On the trade fairs it was very notable that many yacht builders are choosing alternatives for teak on decks. The alternatives are promoted as if they need less maintenance than wood. This also influences the image of the use of wood and plywood in the industry.

#### 4. Bargaining power of suppliers

The influence of suppliers is in this case very hard to control. In 2010 the amount of produced veneers that was suitable for Bruynzeel Hechthout was about 3%. In the year 2010 Gabon started to ban the export of unprocessed logs. Because Gabon is one of the most important suppliers of okoumé there are almost no other ways to purchase unprocessed okoumé logs. Now Allin SAS has new veneer suppliers. Veneers for the inner layers are still well available. Obtaining the right quality of veneer for the top layers is a problem. The high technical and aesthetic requirements are limiting the volume. According to C. Bart, purchase manager of Allin SAS five to six percent of the veneers suitable for top layers can be used for Hechthout. This is only one percent of the total amount of purchased veneer. This means that only three percent of the total amount of veneer is suitable for Hechthout.

The quality of round wood is decreasing because in most of the forests in Gabon and Congo the best trees are already felled. It becomes harder to get high quality logs which means it also becomes harder to produce high quality veneer. Buying only high quality veneer in the supplying countries is not an option. The costs will become very high compared to the quality that is delivered. Instead, a mix of qualities is purchased (FCF, "Faces et Contrefaces").

#### 5. Bargaining power of buyers

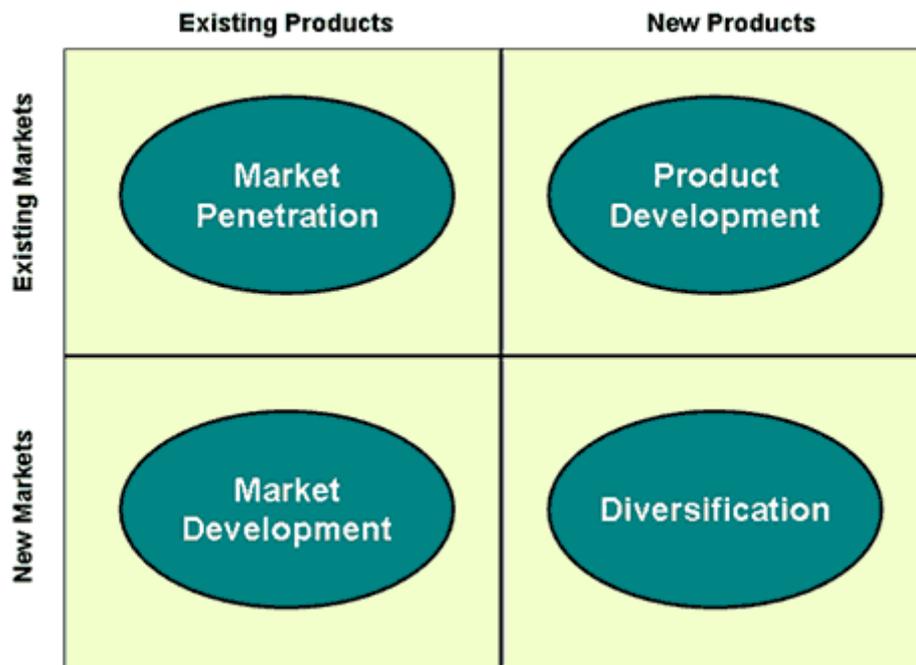
The buyer is the most important force in this model. The buyer decides to buy the product or to choose for an alternative. Because of the wide range of alternatives and substitutes the buyer has many opportunities to choose other suppliers.

Due to the current economic situation the price is a very important factor during the purchasing process. Bruynzeel Hechthout is the most expensive okoumé plywood on the Dutch market. Because the quality of other okoumé plywood brands is increasing it becomes more obvious for the buyer to choose a cheaper plywood than Hechthout.

Because Hechthout is the most expensive okoumé plywood on the market it is very important that the customer knows why the price is higher.

### 5.3 The Ansoff-model

The Ansoff-model is a strategic helping tool to formulate growth strategies. By combining two strategies (product/portfolio and competition/market) a strategy can be developed. With the model a realistic view can be made of the growth chances of a company of product.



Bruynzeel Hechthout is an existing product in an existing market. The strategy that is recommended is Market Penetration. The main goal of this strategy is increasing the current market share. This strategy can be realized by winning customers from competitors or by selling more to current customers.

In this case it is hard to win customers from competitors because the economy is low. The price is an obstacle for many potential buyers. In many cases the cost price has a higher priority than quality.

### 5.4 Competition

#### 5.4.1 Close competitors

There are many okoumé plywood brands on the Dutch market. Each of these brands has its marketing focussed on the building industry. Only van Styn focuses its marketing on the yacht building industry. The most important suppliers of okoumé plywood are listed below:

- Van Styn offers no warrantee. The product is promoted as a plywood that is very suitable for the yacht building industry. The name “marine plywood” guarantees a suitable quality for the yacht building industry. What this really means doesn’t become clear. Van Styn mostly sells plywood for interior applications where the plywood isn’t exposed to extreme conditions. The product seems comparable to Hechthout but

is in fact more comparable to standard okoumé plywood. The van Styn panels are CE and Lloyd's certified and they have the KOMO mark. Panels produced by van Styn are sold by different independent dealers in the Netherlands.

- Fetim offers the “Jumbo garantie multiplex”. This okoumé plywood has a warrantee of 20 years and is FSC certified. It is subscribed as suitable for interior and exterior applications in the construction industry as well as in the yacht building industry. The plywood has no Lloyd's certificate. Fetim also offers “Jumbo Mahogany Marineply”. This mahogany plywood has the Lloyd's certificate for the yacht building industry. Fetim uses A-quality top layers.
- Jongeneel sells the okoumé multiplex “Jongeneel Garant”. The quality of the panels is B/BB. This is a low quality for plywood but Jongeneel gives 15 years warrantee. The panels can be used for exterior applications according to the information on the website.
- Pontmeyer uses the name “Goudgarant” for their okoumé multiplex with 20 years warrantee. The quality is higher than Jongeneel Garant (B/B). The product is subscribed as a product for the building industry. The product can be used in humid conditions.  
The product is KOMO certified and can be FSC certified on request.  
Goudgarant is produced by Allin SAS as well.
- Bs1088 is a marine plywood that is sold by Houthandel van de Stadt. The product has a quality that is good enough for the yacht building industry (B/B) but the quality is not as high as Bruynzeel Hechthout. Bs1088 can contain gaps in the inner layers. The product has the Lloyd's certificate for the yacht building industry.

Bruynzeel is still the only plywood on the Dutch market with an A/B quality. The added value of the other plywood brands is the lower price. For most end uses of plywood the material doesn't need to be water-resistant because the plywood is used for interior applications so it's not necessary to pay more for a higher resistance against water.

#### **5.4.2 Dealers networks**

Another very important added value for the competitors is their dealers network. Pontmeyer has 45 distribution facilities in the Netherlands where alternative products are offered. For Allin SAS this is not a very big problem because Pontmeyer's plywood, “Goudgarant”, is produced by Allin SAS as well. For Hechthout it is a direct competitor. Potential customers who are not well informed about the differences between both products will easily choose for the cheaper alternative. The dealers network of the other named companies are also bigger than the dealers network especially for the yacht building industry.

Van Styn has a very important advantage on Bruynzeel because their production facility is situated in the Netherlands. The company is very flexible and has a very short delivery time.

## ***5.5 Price comparison***

A very common motivation to buy an alternative plywood other than Bruynzeel Hechthout is the difference in price. 10 out of the 30 interviewed companies claims that the price is too high. Because of the low economy customers are more sensitive for pricing. Because the customer wants to pay less, the cost price of the product needs to be lower. In some cases price becomes more important than quality. If there are other comparable materials that are cheaper, these materials will be chosen more often.

Indeed Hechthout is more expensive than other okoumé plywood brands, but when comparing Hechthout with other brands one important thing is forgotten very often. Hechthout has an A/A quality grade and is glued with water resistant glue. There are no other plywood brands on the Dutch market that can provide this quality grade. In most cases an alternative is chosen because Hechthout is considered as a standard okoumé plywood (grade B/B or even B/BB) with a higher price.

It is often not clear that the price is higher because Hechthout is another product that the products where Hechthout is compared with. Most likely there is a lack of information about plywood types and qualities. If customers are informed well there doesn't have to be a discussion about the price. A higher quality has a higher price.

For an unknown reason it was very difficult to find exact prices of plywood. Most likely this is sensitive information for suppliers. The exact price difference is no relevant information because the importance lays on the communication part (chapter 6.4).

## **6. Current marketing**

### ***6.1 Marketing in the history of Bruynzeel***

Bruynzeels marketing strategy for Hechthout was extraordinary. By developing the Valk boat built entirely of Hechthout, and making it an official race class, Hechthout became a well-known material in the yacht building industry. With the popularity of the boat the brand awareness increased.

Water sportsmen in the Netherlands were confronted very frequently with Bruynzeel, and not only because the omnipresent Valk. Bruynzeel was present at many sailing events in the Netherlands. Another boat was used to promote the product during the events. The Waterwacht was a customised tugboat. It dragged the sailing boats to the starting position and it pumped out water of capsized sailing boats. The Waterwacht was the first form of technical assistance on the water in the Netherlands.

At the sailing events Bruynzeel also distributed small Hechthout panels containing the nautical symbols of the alphabet and finished with laquer. These promotion materials are now collectors' items.

In the seventies Bruynzeel Multipanel sustained an active marketing programme with articles and advertisements in magazines. On the marine trade fair HISWA, they had a stand where a boat was being built out of Hechthout. Visitors of the fair were able to see how easy it was to work with Hechthout. Also in magazines Bruynzeel Multipanel BV promoted its products very frequently.

Many people who work in the yacht building industry are water sportsmen themselves so the promotion was very effective.

### ***6.2 Bruynzeel Multipanel***

Bruynzeel Multipanel does not actively promote Hechthout to the water sportsmen anymore. In some articles in the timber trade magazine Houtwereld, Hechthout is mentioned as a good solution for yachts, but few to no yacht builders read Houtwereld. In fact most subscribers of Houtwereld are timber trading companies and no timber processing companies. The advertisement can be found in Appendix 19.

### ***6.3 Internet***

Google is by far the most important website where people search for something on the internet. When someone already knows the product Bruynzeel Hechthout, this person most likely uses the words Bruynzeel or Hechthout or a combination of both to find a supplier. The results on Google are described below:

Bruynzeel: Most of the results lead you to Bruynzeel kitchens. It soon becomes clear that this is not the way to find marine plywood.

- Hechthout:
- Houthandel Wester
  - Evecom
  - Bruynzeel Multipanel (No Hechthout to be found under Marine plywood on the website)

- Bruynzeel Hechthout:
- Houthandel Wester
  - Evecom
  - Bruynzeel Multipanel
  - Waarschip
  - Hout4sale.nl

When someone doesn't know Hechthout, but wants to consider plywood for building or repairing his yacht, he will probably search for (marine) plywood.

- Plywood:
- Intplywood (no marine plywood)
  - **van Styn** (Dutch manufacturer of Okumé marine plywood)
  - Euro Plywood (Allin is the first named company under French suppliers of plywood)

- Marine Plywood:
- **van Styn**
  - Other marine plywood suppliers, but not in the Netherlands

When searching for (marine) plywood the Dutch company Van Styn is very easy to find.

Using Dutch search terms like multiplex maritiem or multiplex jachtbouw, the suggested links will lead you to Evecom or van Styn.

On the Dutch website of Bruynzeel Multipanel BV Hechthout can be found under "Solutions for outside" and not under "Marine Solutions". To reach both building industry and yacht building industry Hechthout should be found under both buttons. A link to a dealer for the yacht building industry, Houthandel van de Stadt, can be found on the website.

The website makes clear that Hechthout has a very high quality but it doesn't become clear what the technical advantages exactly are. Only the reduction of maintenance costs because of the high durability is mentioned.

## **6.4 Communication**

In 18 out of the total 30 interviews it became clear that there is a poor communication with the customers. The choice of material has to be based on available information. Most likely there is a lack of available information.

When people aren't informed well, they will make their own conclusions. This might damage the image of Bruynzeel products. A potential customer for Allin SAS is Amels Shipyard in Vlissingen. The company doesn't recognise the brand name of Bruynzeel as a warrantee for high quality products. Instead Hechthout is seen as a brand that makes the panel more expensive without any added values.

From the introduction of Hechthout till ten to fifteen years ago the product was known as the best okoumé plywood on the market. Nowadays the brand awareness is decreasing. Bruynzeel

products are getting a different image than they had when the promotion was very active. The only communication about the products is the communication between buyers about decreasing quality. The image of the product is damaged but only since the last few years. The image can be restored, also because people who have experienced the active promotion of Bruynzeel are still active in the yacht building industry. This particular generation will be more sensitive for promotion of Hechthout than people who haven't experienced the name Hechthout had in the first decades after the introduction of the product. If the quality decreases and the communication stays poor, the name will disappear.

## **7. Conclusion**

### ***7.1 Buyer's expectations***

Bruynzeel has been a supplier of top quality products for about one hundred years. The company had its own salesmen who understood the needs of the customers. Bruynzeel Multipanel BV offered a combination of excellent service and a top quality product. This combination used to be the main strength of the product Bruynzeel Hechthout.

Nowadays the service is different. The product isn't sold directly by Bruynzeel Multipanel BV but by dealers. The dealer for the yacht building industry is Houthandel van de Stadt. This timber trading company can offer a very good service because the yacht building industry is one of their main markets for solid timber as well.

Besides the high level of service it is the high quality which made and makes the concept of Hechthout so good. The product has a higher price than other plywood brands but the quality and the service level are higher as well.

According to some of the most important Bruynzeel customers in the yacht building industry the quality of Hechthout is decreasing. This means the value of the brand is decreasing as well. Because the price is high, buyers expect the best quality. When the price decreases Bruynzeel Hechthout will become one of the other plywood brands, one of the mass products. Bruynzeel will lose its added value and market share.

### ***7.2 Promotion and communication***

Until about ten years ago Bruynzeel was promoted very actively in the yacht building industry. As is described in chapter 6.1 Bruynzeel always used very effective and direct promotion tools. People who were active in water sports were continuously confronted with the brand and the products. The brand was very present in the minds of water sportsmen. Many people who work in the yacht building industry are water sportsmen so this was of promotion is very effective.

18 out of the 30 interviewed companies aren't experiencing any promotion at all from Bruynzeel of Allin SAS. The brand awareness is decreasing. Bruynzeel products are getting a different image than they had when the promotion was very active. Without communication there will be no control on the image of the product. The only communication about the products is the communication between buyers about decreasing quality or the price difference between other brands.

The image of the product is damaged but only since the last few years. The image can be restored, also because people who have experienced the active promotion of Bruynzeel are still active in the yacht building industry.

Houthandel van de Stadt, the only dealer for the yacht building industry, is the only company that has an active communication with the end user. Because Houthandel van de Stadt originally is a timber trading company that focuses its sales and marketing on selling solid timber the promotion of plywood can't be as intensive as Bruynzeel Multipanel BV once could. The core business of Houthandel van de Stadt is solid timber and not selling plywood.

Bruynzeel Multipanel BV focuses its promotion on the building industry, so this company has almost no communication anymore with the yacht building industry.

A proper communication between Allin SAS and (potential) customers is very important. As is seen in the appendixes many companies don't know why they should choose for Bruynzeel Hechthout. Some companies even think Bruynzeel is a brand name that raises the price of the plywood, not because special treatments or intensive selection during the production process but only because the product has the brand name.

## **8. Recommendations**

### ***8.1 Quality***

As is mentioned in chapter 5.1 and 7.1 the high quality of the product is one of the most important features of the product. Without the high quality Bruynzeel Hechthout has no brand name. The companies that choose to buy Bruynzeel Hechthout expect the best service and quality.

Allin SAS has to react fast. If it is possible to raise the quality and hold a certain level of quality this has to be done as soon as possible. If the quality stays low or keeps decreasing more customers will switch from supplier and the brand name will be damaged even more.

### ***8.2 Communication***

At this moment many yacht builders don't understand why the price of Hechthout is higher than other plywood brands because a lack of available information and promotion of the product. To make sure the buyer understands the price difference proper communication is needed between the producer and the (potential) buyer.

If it is possible to raise the quality again it will be very useful to communicate this to the customers. By involving the customers with the production process customers will understand why the product's quality and delivery time aren't constant. When customers are better informed, the chance that rumours about changes in quality level will spread will become smaller.

As becomes clear in chapter 5.2 many yacht building companies don't know why Bruynzeel Hechthout is more expensive than other plywood brands. There is a lack of information about the technical advantages of the product people will easily choose another product. By making information about the product more available and by confronting people with it by promoting the product more companies will understand the difference in price. Informing companies about the technical advantages of the product can be done by making the website clearer. The website should offer a very short product description like the website does at this moment but visitors should also be able to find more about the advantages.

Google is a very important search tool on the internet. People who search for marine plywood on Google will find the competitor. Allin SAS needs to make sure that Bruynzeel Hechthout will be found as well when people search for marine plywood.

Besides the internet (potential) customers should also be informed via other channels. People who get informed by the information on the website have chosen to search for information on the internet. People who aren't in search for information about Hechthout can be reached by confronting them with information. This can be done by promoting the product and triggering potential customers to read about the advantages of Hechthout. In chapter 6.2 is mentioned that Hechthout is promoted in the timber trade magazine Houtwereld. The promotion of the material would be more effective if the advertisements are placed in magazines focussed on the processing companies like yacht builders. By advertising in magazines like Jachtbouw Nederland and Waterkampioen, all possible target groups are reached.

### **8.3 Promotion**

Just like Bruynzeel has done in the history of the company Allin SAS needs to keep the brand name present in the market by promoting the products. It is important that the name Bruynzeel won't be forgotten.

Over the last ten to five years the quality has been decreased slightly. The image of the product is damaged but only since the last few years. The image can be restored, also because people who have experienced the active promotion of Bruynzeel are still active in the yacht building industry. This generation might be sensitive for a re-introduction of the product with a new promotion strategy.

In chapter 5.1 the market is separated in four different target groups. It is important to distinguish these different target groups when making a promotion strategy. For every single target the high quality is very important. If the quality is too low, the added value of the product is gone.

#### **8.3.1 Self builders**

To reach the self-builder it is wise to look at the history of Bruynzeel. Bruynzeel used to focus its marketing on the water sportsmen because in that time the customer had more influence in the purchasing process. People who build their own boats still have much influence in the choice of materials they use. The promotion can be done by showing the quality of Hechthout in magazines and trade fairs. The presence of many old boats that are built out of Hechthout on the trade fairs can be used as a proof that the material has a very high durability.

#### **8.3.2 Reparation and maintenance**

Reparation and maintenance are done by yacht builders, yacht service centres and by boat owners. The ways of promoting the product as is described in the previous paragraph are focused on boat owners. With this way of promotion a part of this target group is reached as well. The other part of this target group is the companies that offer yachting service. These companies might be reached with the same strategy as the boat owners because the people who work in the yacht service segment are often water sportsmen themselves.

Another way to reach this segment is by promoting the product in magazines for the industry like Jachtbouw Nederland. In this magazine most recent developments in the industry are published as well as news from the industry.

Visiting the companies is the most effective way of promoting the product. The yacht builder needs to be convinced of the added value of the product. If the boat owner as well as the yacht builder are both convinced about the added values of Hechthout a reasonable choice can be made whether or not to pay more for Hechthout.

#### **8.3.3 New built medium sized yachts**

This target group is the hardest to reach. Because production costs are decreased to create a reasonable and compatible selling price products like Hechthout aren't used very often. Only yacht builders who are really convinced of the advantages of Hechthout and where the choice of this certain material fits in the company's philosophy the material will be chosen. A personal approach by salesmen will be the most effective way of reaching this target group.

### **8.3.4 Exclusive yacht building industry**

Even in times of a low economy this market segment continues producing exclusive yachts. Because the exclusive yacht building industry focuses on quality, this market segment offers the perfect product market combination.

Exclusive yacht builders need big quantities compared to the other segments. Losing a customer in this segment means losing a significant part of the sales in the yacht building industry. To keep the current customers in this segment it is necessary to raise the quality again and keep the quality on a high level. A proper communication with customers in this segment is also very important. Salesmen should contact the customers in this segment very frequently to hold the customer.

### **8.3.5 Entering new markets**

Because the product has a damaged name in the Netherlands it might be an opportunity to enter a new market. In the exclusive yacht building industry the Netherlands is one of the most important supplying countries in the world. Only the USA and Italy are producing more. By promoting the product on an international trade fair like the METS in Amsterdam, foreign companies might get interested. The METS is the biggest marine equipment trade fair in the world and offers the possibility to show the product to many different potential customers. Bruynzeel used to sell its products not only in the Netherlands but in many different countries like the USA. There is a chance that the product will be recognised. In a new market a new brand name can be made.

### **8.3.6 Personal selling**

Hechthout can be considered as a niche product for high end purposes. In the high end sector personal selling can be very effective. The buyer must be sure the product is used for the right end use. Not price and delivery time, but technical features and feelings are important factors in this market segment.

In the exclusive yacht building industry every project is different. For this type of producing yachts an involved salesman is needed. The salesman fulfils the role of an advisor as well. By connecting salesmen to projects and companies you create a face or a person, not a company or brand. When a purchaser feels connected to a salesman he or she will come back for advice or a next order when a new project is started. The salesman can advise whether or not to choose Hechthout. If it is not necessary to use Hechthout it might be useful to be able to sell the alternative.

According to the Ansoff model in chapter 5.3 the recommended strategy for Allin SAS is market penetration. The Dutch yacht building industry has some major users of Bruynzeel Hechthout. When applying this strategy, these customers need to be bounded more to Bruynzeel. By binding these customers more to Bruynzeel the chance becomes smaller that these customers will switch from supplier. By using personal selling this might be realized.

### **8.3.7 Bruynzeel for the yacht building industry in particular**

As is mentioned in chapter 5.4 there are many types of okoumé plywood on the Dutch market. Bruynzeel is only able to offer a product for exterior applications or applications where the highest quality is needed. When a slightly lower quality is needed Bruynzeel isn't able to offer a product anymore. This makes the market more complex.

By creating a product line focused on the complete yacht building industry Bruynzeel will be able to offer products for not only exterior applications, but also interior applications. The customer can buy the total range of products from the same supplier. The added value of the

type of salesman subscribed in the previous paragraph becomes more useful. When the salesman advises a company not to use Hechthout but another type of plywood, it will become possible to offer the alternative. The yacht builder now needs only one salesman who is involved in the project and who is able to offer the total range of plywood types connected to the same brand name.

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# Appendix

## Summaries of the interviews

### **1. Camerik Houtagenturen (Rob Camerik)**

Hechthout has the KOMO certificate in the construction industry. In the yacht building industry Hechthout can be purchased with the Lloyds certificate. This is comparable with the KOMO certificate.

Naval architects:

The promotion for Hechthout in the construction industry has always been very effective. By convincing architects of the quality of Hechthout the product is recommended by architects for building projects. Nowadays architects are not allowed to recommend only one material. Architects can recommend Hechthout but they have to add the following: “or a comparable material”. This comparable material is in fact not comparable with Hechthout. Hechthout has a higher quality than any other okoumé plywood.

Hechthout is not promoted like this in the marine sector. There are about 15 well known naval architects in the Netherlands. These architects might be able to recommend Hechthout for marine building projects or new boat models.

According to Rob Camerick Bruynzeel Multipanel should have a sales office and/or someone who promotes the products in the marine sector.

Hechthout was the first plywood that offers a warrantee. Soon other plywood-producing companies were able to offer a warrantee as well. When looking at the content of the warrantee it becomes clear that this is a very grey area. Companies are not very open when it comes to providing information about the exact definition of the warrantee. Bruynzeel provides a warrantee when defects occur, also after installation. The installation of the panels has to be done according to the manual of the product. The damage could be covered up to € 80.000,-. Most plywood brands only cover the costs of the panel, not the installation costs. These installation costs are much higher than the purchase costs of the materials. What this warrantee includes for Hechthout is not well communicated to the customer. In the choice making process it should be easy to obtain information about the warrantee.

In the building industry a very common reason for not buying hechthout is the high price. The reason for the higher price is often not clear. Information about the quality of Hechthout should be more available for customers so people can base their choice on more knowledge about the product. It also needs to be clear who covers the costs when something goes wrong.

According to Rob Camerick one of the most important strengths of Hechthout is the reliability of the product. When you order high quality, you get high quality. The name “Hechthout” is based on the high quality of the product. If you change the quality of the product the added value for the customer will disappear.

## **2. Aquamar (Henk van den Berg)**

The answer to the question: “what type of customers chooses for Hechthout?” was: “no one”. There are almost no private customers who ask for Hechthout. The most important thing for the final customer is the price. The quality needs to be high, but other materials (JUMBO, Goud garant, etc.) seem to offer the same quality for the customer. The awareness of the real strengths of Hechthout is not present in the end user segment.

About ten years ago Bruynzeel products were promoted very actively in the yacht building industry. They had their own stand at the HISWA and customers were kept in touch with the products with advertisements in nautical magazines. At the moment the name is still well known but where it stands for needs to be communicated to the final user.

Over the last five years the use of Hechthout has been decreased in a very constant way. The most important reason for this decrease is the high price according to Henk van den Berg from Aquamar. It seems like other plywood brands offer the same quality because they can offer the same warranty. The exact difference between Hechthout and other “comparable” materials is not clear for most customers and even for some yacht builders and service centres.

For the installation of teak decks often an under layer of plywood is used. The under layer needs to be very durable. When water reaches the under layer through the deck, delamination could occur. The chance of delamination is much higher when a lower quality is used. Henk van den Berg calls the use of a lower quality than Hechthout “misplaced economy”. Taking the risk of delamination might cost much more than using more expensive plywood.

### **3. Evecom**

During the last 5-6 years the sales of building kits has been decreased rapidly. One reason is the market for used boats. The wooden boats that are built out of Hechthout are often still in a very good state. There is no need to build a wooden boat yourself because the availability of used boats is very high.

Again one of the most important reasons for the decrease in use of Hechthout in the yacht building industry is the promotion. People are not kept in touch with the product. There seems to be no communication to the end user. As a result, more and more people will choose for cheaper plywood. The most important buying motive is the warrantee. On paper the amount of years of the warrantee represents the quality. Hechthout is not the only plywood that offers a warrantee of 15-20 years. This is why other plywood brands are direct competition for Hechthout although the quality of the products is different.

Evecom claims that boats built out of Hechthout are more durable than polyester boats. Polyester degrades by osmoses. This process always takes place. If Hechthout is maintained well the state of the product stays as new for decennia.

### **4. Boat care**

Boat care doesn't use an under layer for the installation of teak decks anymore. They now use the vacuum technique to install decks. With this technique it is easier to work without an under layer. The most important benefit from using an under layer is the possibility to attach decking parts with staples. With staples decking parts can be installed under higher pressure. However, this is not always necessary.

The use of an under layer has also disadvantages. Besides using an under layer brings extra costs, there is a risk of delamination of the plywood when water penetrates the deck. When an under layer is used, Hechthout is the best material. The chance of delamination is much smaller with a Hechthout under layer than other okoumé plywood. In this case the purchase price is higher but when delamination occurs the costs will rise extremely fast.

## ***5. Waarschip (Mr. Hijlkema)***

Waarschip was a producer of sailing boats made of Hechthout until 2006. Over a long period the sales of Hechthout sailing boats decreased. The main reason was the building material. People lost their interest in wooden boats. Because of the working culture of today most people are not willing to spend much time on maintaining their boats according to Waarschip. Polyester and composite boats have the image of being maintenance free which is not correct. Another advantage of polyester is the lower price. Brands like Bavaria are a lot more interesting for the average potential customer than wooden boats.

About twenty years ago people were confronted with Hechthout very often. According to Waarschip children were more involved with the maintenance of wooden boats. Hechthout was in their system. Nowadays children are less involved and the product is not promoted anymore. People are losing the feeling with the product. The name stays well known and is associated with quality but spending much time on maintaining the boat is outdated.

Since about 5 years Waarschip uses a composite as the main material to build the ships. The composite material Waarschip uses is called “technical foam”. This foam is very easy to work with. It is very easy to use different thicknesses within one hull. When using Hechthout it is only possible to use one thickness for the complete hull. The strength of the hull is equal in every area of the hull when using Hechthout. With composite the strength can be increased on specific areas.

Technical foam is finished with glass fibre or carbon fibre. With this finishing the composite material can also be repaired, even with plywood.

Since the introduction of polyester, wooden boats have become a niche market. It is almost impossible to change a niche product into a mass product. Waarschip doesn't believe in a comeback of Hechthout. The comparison is made with the VW Beetle. The old Beetle has been very popular. When the “New Beetle” was introduced it was expected to become a big success. In fact the reintroduction of the Beetle was disappointing.

### *Promotion*

Hechthout hasn't been promoted for about 5 years. In combination with the economic trends and working cultures this results in a decrease in the use of Hechthout. Waarschip thinks the time that boats are built out of wood is over. Wooden boats will be a very small niche.

Bruynzeel has a warranty of 15 years for marine applications. This warranty is only applied for the glue connections in the plywood. If the complete panel is rotten away but only the glue remains no costs will be covered. This needs to be changed to stay credible according to Waarschip.

## **6. Miedema Hout (Folkert Sinnema)**

Miedema Hout is a supplier of timber for the building industry and the yacht building industry. According to Folkert Sinnema (responsible for the marine sector) there will always be a demand for okoumé plywood. Although the market for wooden boats is a niche market, this niche market will always be there. Used boats made of plywood have to be maintained by the owners. To maintain or repair these boats plywood is needed.

Bruynzeel has the name to be the best solution for plywood in the marine sector. However the name is not only associated with quality but also with a very high price. Especially today people are more and more aware of the prices they have to pay. Other plywood brands become competition for Bruynzeel. The most important reason for this is the flow of information. There is a very poor communication to the end user about the technical values of Bruynzeel Hechthout. In most cases people are not able to base their choice on technical information. People choose for the best price.

Miedema Hout is working on an okoumé plywood for marine applications. This plywood will have a quality “good enough” for the marine sector. The price will be lower than Bruynzeel Hechthout. Only customers who ask for the highest quality and who are willing to pay the price will choose for Bruynzeel. If the highest quality is not necessary the alternative for the marine sector can be chosen. This makes the market for plywood more structured. The materials that are now used as an alternative for Bruynzeel will stay a material for the construction industry and there will be other materials made especially for the yacht building industry.

Because Bruynzeel Hechthout stands for the highest quality, the product will stay a suited product for the exclusive yacht building industry. Quality is the most important criteria in this industry. It is very important that Bruynzeel materials maintain their quality. The brand name of Bruynzeel is based on the high quality of the products. If Bruynzeel loses quality, it will lose its name.

## **7. Royal Huisman Shipyard (Tony Nelis)**

Royal Huisman Shipyard is a yacht builder in the exclusive segment. The company is specialized in building yachts with a classic look. Wood products are used to get this classic look. Royal Huisman uses Bruynzeel Hechthout for construction and furniture. For the under layer of a teak deck another material is used. Even in the exclusive sector prices become more and more important. When the material will not be exposed to extreme conditions cheaper plywood is chosen. Also because of the broad range of alternatives plywood isn't always the first choice anymore. Honeycomb structures and foam is used for several applications where plywood used to be the first choice.

Royal Huisman Shipyards experiences a slight decline in the quality of Bruynzeel plywood. The quality of other plywood suppliers is increasing, so the difference between the brands becomes smaller. Bruynzeel will lose its added value when this continues. Because Bruynzeel Hechthout still is the best solution there are no suitable alternatives available in the plywood market.

According to T. Nelis, Bruynzeel plywood isn't promoted in the marine sector. Because material costs become more important the purchase price may be a reason to switch to another

material for certain applications. It is very important for a supplier to make sure the customer is convinced about the choice of material and supplier.

### ***8. Holland Jachtbouw (Leen Hoogmoed)***

Holland Jachtbouw is a company in the exclusive segment. The company uses Bruynzeel Hechthout sporadically. Only when the plywood is exposed to extreme conditions Hechthout is used. For the production of interior other plywood is used. In the case of Holland Jachtbouw the interior is produced by another company called “de Ruyter Interieurbouw”.

According to Leen Hoogmoed Bruynzeel is still associated with high quality. The high quality is the main strength of Bruynzeel products. It is also well known that the price is very high. When it is not necessary to use the best quality, another plywood brand is chosen.

Nowadays more hulls are made of aluminium or steel. To maintain the strength of the hull dividers are made. These dividers form borders between the rooms in the boat and support the strength of the hull. Aluminium or steel hulls already include dividers made from the same material. Polyester boats and wooden boats need extra support because the dividers are not always included within the hull. Some yacht builders choose to use plywood to make the dividers. Other materials that can be used are aluminium and other non-timber products. Because the material that is used for the dividers will be exposed to strong forces it is very reasonable to use high quality products.

#### *Bruynzeel history*

Bruynzeel Hechthout finds its origin in the furniture industry. Cees Bruynzeel, the formal president of the door factory, was a professional sailor. Together with his sailing friend Ricus van de Stadt he decided to develop a sailing boat made out of Hechthout to prove that Bruynzeel Hechthout has such a high quality that it is suitable for marine applications. The new sailing boat was called the “Valk”. The Valk had to become a race winning sailing boat. Bruynzeel was successful with the new concept. Within a year about 100 boats were produced by Bruynzeel. The Valk became an official racing class. From that moment Bruynzeel became a worldwide supplier of plywood for the yacht building industry. The growth of the product was enormous because of intensive promotion and by building high quality boats. Not only the Valk was a way to promote Hechthout. During important sail racing events Bruynzeel had its own boat, the “Waterwacht” to promote the brand. This boat dragged the sailing boats to the race location. When a boat capsized, the “Waterwacht” was there to help. Bruynzeel also had its own stand at the HISWA. On this stand a boat was made to show how easy it was to work with Hechthout. On sailing events nicely finished pieces of Hechthout were given out with the nautical alphabet painted on it. Nowadays these promotion materials are collector’s items.

### ***9. Winner Yachts (Remco Sol)***

Winner Yachts is a producer of medium sized sailing boats. Winner uses Bruynzeel Hechthout for interior applications including the dividers. Hechthout is chosen because of the high quality of the panels. Although the plywood is used for interior applications, another reason Hechthout is chosen is because it’s water-resistant. Winner Yachts recognizes the added value of the brand name of Bruynzeel Hechthout. People associate Bruynzeel with high quality.

Winner Yachts uses Hechthout not only for the technical characteristics, but also for its appearance. The warranty of the panels is also a reason to choose for Bruynzeel. Winner sees a trend in the increasing demand for environmentally friendly timber. The use of teak veneers has been decreased. Okoumé is still the most used plywood in the marine sector.

### **10. *Amels Shipyard (Jan Mourik)***

Amels Shipyard is a yacht builder in the exclusive sector. The company doesn't use Bruynzeel Hechthout. Because Hechthout is water-resistant the panels are very suitable for exterior applications. Amels Shipyard only uses okoumé plywood for interior applications where it isn't necessary to use water-resistant plywood.

Another reason why Hechthout isn't used is because all multiplexes bend or curve when used for bigger surfaces, according to Jan Mourik.

Amels Shipyard doesn't recognise the brand name of Bruynzeel as a warranty for high quality products. Instead Hechthout is seen as a brand that makes the panel more expensive without any added values.

In the case of Amels Shipyard, there is no sign of trends in the use of plywood. Their interiors are made by an interior manufacturer who chooses what materials are used.

Amels Shipyard doesn't experience any promotion of Bruynzeel Hechthout.

### **11. *Jachtbouw Vels & Partners (Theo Versteeg)***

Jachtbouw Vels & Partners is a company that uses composite for its yachts. The company uses okoumé plywood. The choice whether or not to use okoumé plywood depends on the project. When plywood is used for exterior applications Hechthout is used sporadically. If plywood is used for interior applications other types are used.

Jachtbouw Vels & Partners experiences an increase of the use of other materials instead of the more traditional materials.

The company experiences no promotion of Bruynzeel Hechthout.

### **12. *Rob Fritz interieur- en jachtbetimmering (Rob Fritz)***

Rob Fritz is a company that makes and installs interior and exterior on various types of yachts. For the exterior Bruynzeel Hechthout is used. For interiors other okoumé plywood is chosen. The most important reason why Hechthout is chosen is the warranty. The warranty is the only way Hechthout is promoted according to Rob Fritz.

### **13. *Mulder Shipyard (Tom Biegstraaten)***

Mulder Shipyard is a producer of motor yachts with a length of 14 to 30 meters. The shipyard doesn't use Hechthout for the production of its yachts. Instead other plywood is used for interior applications. Because there is a lot of unreliable Asian okoumé plywood on the market Mulder Shipyard has chosen to start working with poplar plywood. This plywood is more stable and because the plywood is used for interior applications it is not necessary to use water-resistant materials.

For exterior ceilings Bruynzeel Multipaint is used. The quality of this material is still very high compared to alternatives.

Bruynzeel Hechthout has been used by Mulder Shipyard but since the quality isn't stable anymore they have chosen to use other plywood. The availability of Bruynzeel Hechthout seems to be a problem as well.

Bruynzeel Hechthout is promoted by Houthandel van de Stadt but there are also other ways to get Bruynzeel plywood, says Tom Biegstraaten.

The quality of Bruynzeel materials is decreasing while other plywood brands are increasing their quality while the prices stay the same. Using other plywood becomes a better solution.

#### **14. *Pijnen Jachtbout (Adrie Pijnen)***

Pijnen Jachtbouw is a composite yacht builder. No Hechthout is used for the ships Pijnen builds. The interior is made of van Styn plywood.

According to Mr. Pijnen it makes no difference what plywood is used in the yacht building industry. *"Whether or not the plywood is water-resistant, when it gets in contact with water it will rot anyway."*

#### **15. *Icon Yachts (Hans Hartog)***

Icon Yachts is a producer of custom built motor yachts in the exclusive sector. Icon Yachts uses okoumé plywood for exterior applications like ceilings. Okoumé is used because it's easy to work with. Bruynzeel plywood is recognised as the top in the plywood segment but the price is also very high.

For other applications okoumé is finished with veneer or a thin layer of wood.

#### **16. *HISWA association (Jeroen van den Heuvel, Herbert van Oord)***

According to Jeroen van den Heuvel there is an increase in composite building in the yacht building industry. Composite is a combination of epoxy and another material. This other material can be "technical foam" but also plywood. For exterior applications the use of plywood is decreasing.

The use of wood in the yacht building industry is decreasing as well. Compared to twenty years ago people have more possibilities in spending their leisure time. Less people spend their complete holiday on the water. Renting a boat becomes more and more popular.

For the interior of boats plywood will stay a very common material. Because interior usually doesn't get in contact with water the quality of the plywood used for the interior doesn't need to be very high.

The way materials are purchased has been changed over the years. When boats were less sophisticated the purchasing process wasn't very complex. The end consumer had more influence in the choice of the building materials. Because Bruynzeel was very well known and the end consumer had more influence, Bruynzeel was a very common building material in the yacht building industry. Since boats are more complex end consumers have less influence in

the purchasing process. Sometimes a brand is preferred for the motor in the boat, but the plywood brand is not important anymore. For the purchaser it also becomes more complex. Nowadays there is a broad variety in brands and materials.

The brand name of Bruynzeel is still well known in the yacht building industry. Bruynzeel guarantees a high quality but the price is high as well.

## **17. Trade fairs**

### **Boot Holland**

The big “Hechthout” consumer “Waarschip” stopped using “Hechthout” in 2006 and started using composite material to make the hulls of the yachts.

The small sailing boats that are built out of “Hechthout” and “Suprahecht” are made of a very high quality and are still in a very good state. This is why the used boat market in this segment is more active than the market for new boats.

NJI: Association for the Dutch yacht building industry about the poly-Valk: The poly-Valk is less user-friendly than the previous Valk which was made of Hechthout. The problem with polyester is osmoses. Polyester degrades because of this process. When Hechthout is maintained well, it is more durable than polyester.

Hechthout is also lighter which makes the boat faster and easier to handle.

### **Belgian boat show**

On the Belgian boat show less wood-using companies were exposing than on Boot Holland. Notable was the presence of teak substitutes for ship decking. These substitutes not always need an under layer of plywood for the installation.

### **HISWA**

At the HISWA it was also notable that more and more companies are using teak substitutes. As was demonstrated at a stand the substitute called “Estec” can be manufactured with an under layer so that the product can be installed directly on the hull.

**18. Exclusive yachts produced in the Netherlands**  
**(by Superyacht Intelligence)**

Number of yachts built in the Netherlands total:			<b>539</b>	
Number of yachts built in the Netherlands year on year (15 year retrospective)				
<b>Year of delivery</b>	<b>Total Yachts</b>		<b>MY</b>	<b>SY</b>
2010	26		21	5
2009	18		13	5
2008	21		20	1
2007	15		13	2
2006	17		14	3
2005	20		13	7
2004	18		14	4
2003	14		10	4
2002	20		13	7
2001	14		12	2
2000	18		10	8
1999	11		7	4
1998	12		10	2
1997	15		13	2
1996	11		8	3
Number of Motor Yachts build in the Netherlands (total)		<b>394</b>		
Number of Sailing Yachts build in the Netherlands (total)		<b>145</b>		

19. Advertisement in "Houtwereld"

