

Chantey

NEWSLETTER FOR YAMAHA MARINE DEALERS



CONTENTS

2012 May
No. 141
English Version

- P1: Chantey Special: Middle East Distributor Marketing Activities - Saudi Arabia, Oman Vol. 2
- P4: One-point Service Advice: The relationship between oil and tightening bolts
- P5: News Round Up: Gearing up for full-scale Marine business in China and more

YAMAHA MOTOR CO., LTD., Marine Business Operations, 1400 Nippashi, Minami-ku, Hamamatsu, Shizuoka 432-8528, Japan

Chantey Special



Middle East Distributor Marketing Activities Saudi Arabia

Saudi Arabia is an energy powerhouse, and is the number one global producer and exporter of oil from the largest known reserves in the world. Some 90% of its total export revenue and 80% of its government income comes from oil. Saudi Arabia is also a founding member of the Organization of Petroleum Exporting Countries (OPEC) and has significant influence in the international oil markets. Saudi Arabia's domestic industry is currently focusing on initiatives in areas such as human resource development, democratization, foreign investment and market development. Al-Khorayef Commercial Co. Ltd. and Dossary Marine & Sports Centre are the two distributors of Yamaha outboard motors in Saudi Arabia.



The growing popularity of marine leisure

Al-Khorayef Commercial Co. Ltd. is in charge of handling all pleasure-use market products and a number of marinas are beginning to operate throughout the country.

An example is the Durrat Al Arus Resort

Marina at Dhahaban, which lies about a two-hour drive north of the city of Jeddah on the Red Sea. The marina lies in a man-made inlet and restaurants, country homes, hotels and more line the waterside, giving it the air of a Western-style

marine leisure marina.

As for its boats, large European-type cruisers can be seen but utility-type fishing boats are also visible. Comparatively, there are many younger private owners who use their boats for fishing as well as platforms for diving, making boat ownership particularly attractive. There are owners who operate their boats themselves but there are also many cases where people from abroad are hired as skippers.

At the Al Ahlam Marina at Sharm Obhur (The Creek), Gulf Craft distributor Saudi Yacht LLC directly operates the marina and its Silvercraft boats (and walkaround type boats in particular), stand out. This marina is separated from the open sea and is situated in a lagoon that stretches from north to south. Along the coastline are resort homes and several other marinas dotting the area, and mooring facilities catering to large cruisers are



The demand for 4-strokes continues to grow

There are many simple boats used for fishing and diving moored at the Durrat Al Arus Resort Marina



also available. This marina exhibits the growth of the Saudi marine market and embodies the expectations for the future.

Two-stroke outboard motors dominate in this area but currently Yamaha 4-stroke outboard motors are rapidly spreading in use.



Al-Khorayef Commercial Co. Ltd.'s head office in Jeddah

Winning market share with thorough after-sales service

It can be said that the trademark of Al-Khorayef Commercial Co. Ltd.'s marine business is its reliability and sincere concern for the needs of its customers. Its main products are two-stroke outboards from 40-75 hp and 4-stroke outboards such as 115, 200 and 250 hp models.

Unit sales have steadily risen in the past few years but just looking at the numbers shows that it was not an easy path. Around 2007, a competitor brand's aggressive sales campaign (no payments necessary for the first year) led to drops in the company's unit sales. However, rather than following suit with an unviable price reduction to compete, Al-Khorayef believed in the strength of the Yamaha brand and poured its efforts into basic, solid business practices. These efforts paid

off and are now considered the backbone to the company's current turnaround. The temporary gain from the rash campaign put on by the competitor on the other hand, did not last.

Specific efforts include strengthening service bases (four sites domestically), improving the technical service skills of distributor and dealer personnel (training) and conducting service campaigns throughout the market (free oil changes, free inspections, 50% discounts on sales

of spark plugs, etc.). Further efforts to strengthen after-sales service like assigning a serviceman at docks and ports used by the coast guard and other government-related boats were undertaken. Furthermore, in 2011, Al-Khorayef entered into a partnership with Saudi Yacht LLC, the Saudi Arabia distributor for the Middle East's number one boat builder Gulf Craft to package their boats with Yamaha outboard motors while aggressively pursuing its own boat sales business as well.



Branch offices are located in vital markets to provide customer service with care and speed



Al-Khorayef is also busy with active involvement in training activities like the Yamaha Technical Academy (YTA)



A 4-stroke outboard motor learning course targeting main customers

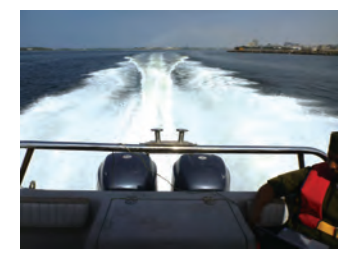
As a boating market, the Middle East has especially harsh use conditions. That's why, in addition to product expectations, marketing activities unifying sales, service and spare parts are an absolute necessity. If even one of these vital elements is lacking, customers will not be satisfied. In order to sustain their business in this market, Al-Khorayef Commercial Co. Ltd. pays close attention to detail in its work. Also, heightened awareness regarding the protection of the environment is a constant issue that cannot be overlooked.

Taking this market background into account, Al-Khorayef realized it was necessary to reinforce and capitalize on the rapidly changing awareness of the benefits of 4-stroke outboard motors. For three weeks from February to March, the company held a learning course for 4-stroke outboard motors targeting main customers in areas all over Saudi Arabia.

The contents of the course ranged from things to keep in mind when handling 4-stroke outboard motors and diagnostics using the latest computer software, to data collection and analysis from actual mounted outboards, lectures and practical training. In these ways, 3S activities in not only this market but all over the world serve as one more strength of the Yamaha brand.



Learning courses for 4-stroke outboard motors targeting main customers were held over a three week period



Data collection and analysis of the motor in actual use conditions



For this feature on Yamaha marine distributors of the Middle East, we again look at OHI Marine (OHI Marine Equipment LLC) in Oman. In our last issue of Chantey, we mentioned the “Yamaha Schoolbag” that OHI Marine distributes to the domestic dealers and private service workshops in its sales/service network. These bags containing a set of the latest lists of parts and promotional materials are personally delivered to the dealers and workshops in an effort to further strengthen the working relationship between Yamaha and these important contact points in the local markets. Activities like these are recognized as an important part of the reason that the Yamaha brand enjoys nearly a 100% market share in the commercial-use outboard sector in Oman. In this feature, we look at another OHI Marine business effort, a “3S Campaign” conducted over four days in February of this year.



The OHI Marine head office in the capital of Muscat

Raising customer satisfaction through a campaign with all three departments participating

OHI Marine took its February 3S Campaign to six relatively remote but strategically important market areas for commercial-use outboards (Salalah / Sharbhat / Shuwaymiyah / Mirbat / Raysut / Mughsayl) located primarily in the southern part of the country where the company wants to raise the level of its presence. Participating in this four-day campaign were staff of the Service, Sales and Spare Parts departments of OHI Marine’s head office in the capital of Muscat as well as representatives from the three departments of its Salalah branch office. Also taking part were two service and marketing representatives from YMC’s headquarters in Japan and two more from its Dubai office, as well as three representatives from the group company for parts distribution, Yamaha Distribution Singapore Pte. Ltd. (YDS), making this a campaign supported fully by group-wide Yamaha 3S (Sales/Service/Spare parts) personnel. Sales and service staff from neighboring Saudi Arabia’s Yamaha distributor Al-Khorayef Commercial Co. Ltd. also came along on the campaign this time to gain experience for conducting campaign activities of their own.

3S Campaign benefits in the three areas

- 1) Sales**
 - A market survey is conducted as part of the campaign. Information concerning how customers actually use their outboards and market trends for the future are compiled for use in formulating sales strategy.
 - The services provided during the campaign help raise customer satisfaction.
- 2) Service**
 - Information about problems and issues in the market is shared between the Sales and Spare Parts departments.
 - Gaining information about actual outboard use conditions makes it possible to give customers advice and educate them in ways to prevent trouble before it occurs.
 - Providing thorough and detailed after-sales service through the campaign helps raise customer satisfaction and differentiate Yamaha from its competitors.
- 3) Spare Parts**
 - Grasping actual customer outboard use conditions aids in more efficient selection and stocking of parts items for the future.
 - New ideas for further building the sales network are found through actual visits to the market and customers.
 - The campaign provides the opportunity to make sales of parts and educate the users about the importance of using Yamaha Genuine parts and accessories.



Yamaha commands a nearly 100% share in the commercial-use market in Oman. The main outboards sold here are middle-class two-strokes such as the 40, 60, 75 and 85 hp models



Big results were achieved by the Sales, Service and Spare Parts department staff participating in the four-day campaign visiting six locations



The campaign offered Yamaha outboard owners engine inspections free of labor charge along with discount sales of spark plugs and gear lubricant. The campaign was outfitted with plenty of the higher-turnover replacement parts like propellers, trim tabs and anti-corrosion anodes to sell at discount prices at the campaign sites. As a result, the campaign not only helped boost customer satisfaction but also contributed greatly to parts sales.

Having representatives from the Sales, Service and Spare parts departments also made it possible to make reservations for repair work that couldn’t be handled on-site during the campaign, selling of and placing orders for parts and promoting sales of new outboards, much to the appreciation of the customers in these remoter areas. Furthermore, the campaign provided the opportunity for plenty of vital information gathering for future sales strategies, identifying the company’s strengths and weaknesses and facts that will be valuable for next year’s campaign.

The relationship between oil and tightening bolts

This time, in our “Advice from a veteran mechanic” series, we discuss the use of oil and tightening torque when tightening important bolts. In service manuals you will see the instruction to apply oil to the threads and the seat of the head when tightening bolts that require a high level of tightening torque like cylinder head bolts and crankcase bolts.

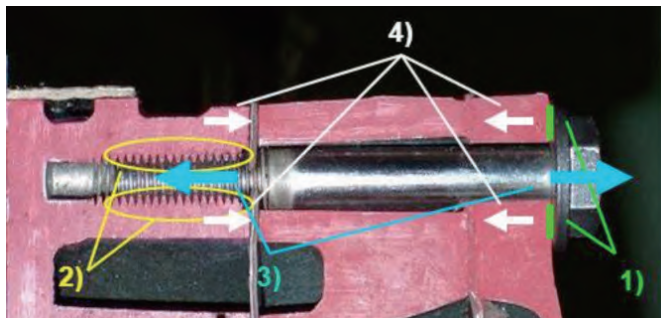
Let’s take a close look now at how this subtle relationship between oil and tightening bolts works.

Bolt tightening

Like so many industrial products, bolts are used to fasten together the major parts of an outboard motor. We should understand that the energy applied to tighten a bolt actually produces three results:

- 1) Frictional force at the head of the bolt
- 2) Frictional force in the threads
- 3) Axial force that stretches the bolt

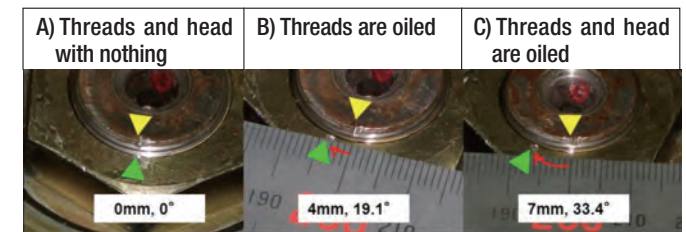
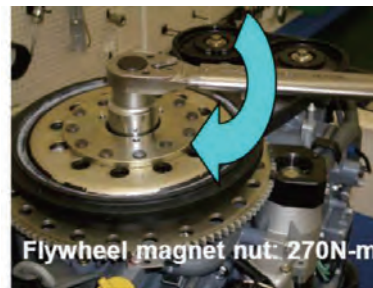
What fastens the parts firmly in place is the forces shown as **4)** in the diagram resulting from axial force **3)** created in the bolt. So, the purpose of tightening a bolt or nut is actually to create this axial force.



Does the same amount of tightening force always produce the same effect?

When we use a torque wrench to tighten a number of bolts, the amount of axial force created is not necessarily the same in all the bolts. Since the fastening power of a bolt equals the frictional force at the head + frictional force in the threads + the bolt’s axial force, more frictional force in the threads and head results in less axial force, while less frictional force enables greater axial force.

Let’s try an experiment here in tightening a flywheel nut (using a torque wrench to tighten it to the specified torque). With **A)**, the threads have nothing, with **B)**, oil is applied to the threads, and with **C)**, oil is applied to the threads and the head. Now, let’s see the difference these three methods produce.



Using oil makes this big a difference

Here we see the results clearly. The nut **C)** has tightened 33.4° more than nut **A)**, which means much more axial force is created. **C)** is the result of tightening the nut correctly as described in the service manual, while **A)** and **B)** are lacking in adequate axial force.

From this result we can clearly see the importance behind the simple instruction of “Apply oil to the threads and seat of the head.” Doing the job the right way always helps prevent mistakes in service work.

Dr. Sugimoto Chantey Editorial Room

YAMAHA MOTOR CO., LTD., Marine Business Operations,
1400 Nippashi, Minami-ku, Hamamatsu,
Shizuoka 432-8528, Japan



News Round Up

Activities from distributors around the world, and more

Gearing up for full-scale Marine business in China

From April 19 (Thu.) to 22 (Sun.), 2012, the 17th China (Shanghai) International Boat Show was held at the Shanghai World Exhibition & Convention Center with a Yamaha booth put up by group company Yamaha Motor Commercial Trading Shanghai Co., Ltd. In addition to its displays of Yamaha outboard motors and WaveRunner personal watercraft, the booth also exhibited boats manufactured by Yamaha Motor in Japan as the next important part of the brand's full-fledged launch of its marine business in China.



The Yamaha booth was the largest of all exhibitors in the indoor venue

Some 21,000 visitors turned out for the boat show over its successful four-day run. Visitor attention focused particularly on the US-made sport boats and the Japanese-made 31-ft. sports cruiser (mounting a Yamaha F300B outboard).

As China's dynamic economic growth continues, more and more attention is focusing on the big potential demand for boats as a leisure-use item for the affluent and upper middle class in the future.

Reflecting the recent drive to promote full-scale marine business centered around boats, this year's Yamaha booth was considerably larger than last year with a fuller lineup of boat models.

Besides selling marine products like these, Yamaha will be leveraging its over 50 years of experience and know-how in the marine industry to help create new marine culture in East Asia and promote marine leisure in its people's lifestyles.

Contributor: Chantey Editorial Staff



Full-scale marketing in East Asia of boats manufactured by Yamaha in Japan is now underway



Outboard motor sales are growing in China as well



WaveRunner personal watercraft also drew a lot of visitor attention

Distributor/Dealer Meeting in Saudi Arabia

Yamaha Motor's distributor in Saudi Arabia, Al-Khorayef Commercial Co. Ltd. held a meeting with dealers on April 15, 2012 in the city of Jeddah. The pleasure- and commercial-use markets are currently experiencing growth in Saudi Arabia, and the main focus of the meeting was introducing and discussing various efforts to strengthen 3S (Sales/Service/Spare parts) functions throughout the sales network.

Al-Khorayef's sales division covered (1) the goals of market research and how to use the information gained from it in activities, (2) yearly plans for promotions centered around 3S campaigns, (3) trade relations and (4) a new distributor-dealer ordering system.

The service division talked about service standards and distributor support while the parts division introduced point-of-purchase (POP) tools for promoting sales of Yamaha

Genuine parts, supply chain management projects and further developments moving forward. The meeting came to a successful close after detailed, individual discussions.

Al-Khorayef and the dealers in attendance were able to share their ideas and were united in their goal for ever higher quality in promotional activities and services.

From Mitsuhiro Nakamura, Dubai Office, Marine Engine Business Unit, Marine Business Operations, YMC



Presentations covered the specifics and advantages of conducting a successful 3S campaign

YAMAHA OUTBOARDS WEB SITE → <http://www.yamaha-motor.co.jp/global/consumer/outboards/index.html>

WAVERRUNNER FAN SITE → <http://www.waverunner-fan.com/>

Yamaha Outboards Channel is online on Youtube

View waterside scenes and scenes of Yamaha outboards in use around the world

Yamaha Outboards Channel → <http://www.youtube.com/user/Yamahaoutboardmotors>