



RV Industry's Death Spiral: RV Manufacturers Race to the Bottom

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RV Manufacturers Race to the Bottom



In this ongoing series about the RV industry's death spiral, this post focuses on the RV manufacturers. Now that only a few manufacturers are left here in the USA, quality is declining, complaints are at an all-time high, and buying new is not recommended.

This post shadows Greg Gerber's (*RV Daily Report*) series of articles about the death spiral of the RV industry. By utilizing a stable of engaging bloggers, *RV Daily Report* does not shy away from tackling important issues that concern readers. And, they always give readers an opportunity to sound off on any issue or propose their own solutions to tricky problems – without having an editorial gatekeeper determine if the comment is "worthy" of publication.

Every day the *RV Daily Report* works to deliver the important news that impacts every segment of the RV industry, including dealers, manufacturers, suppliers, distributors, campgrounds and consumers.

Late-breaking News!

Keystone RV recalls 52,000 trailers for wiring problem.

Winnebago recalls RVs for loose power connection.

“When it comes to RV manufacturers, it is clear that the race is on – a race to the bottom. Manufacturers are competing intensely against each other to produce RVs that are built cheaply, with cheaper components so they can be sold at what I call the ‘mythical price point.’

The mythical price point is that price at which RV manufacturers, and in some regard dealers as well, believe is the absolute highest price consumers are willing to pay for a recreation vehicle. Add one more quality component and RVers run away.

For example, a 360 Siphon is an effective \$10 part that can eliminate RV odors, which people who actually use RVs know is a consistent problem. But, many manufacturers refuse to install this simple device. Why? It pushes them out of the mythical price point.

RV Manufacturers do spend a lot of money on *bling*, the flashy things that people see when they walk through an RV. They do not seem interested in installing the best quality products to support the RV infrastructure.

Talk to the Owners

Christopher and Kimberly Travaglino are the founders of *Fulltime Families*—a group that boasts of 1,200 dues-paying members plus 12,000 active Facebook followers. They own a 2008 Heartland Cyclone, which they bought used.

Earlier this year, they discovered that although their RV label says the vehicle is rated to hold 18,000 pounds, the three axles on the rig were rated for 5,200 pounds each. Therefore, in reality, their 18,000-pound RV can only safely hold 15,600 pounds.

I met Skip and Sara Shute at an RV rally about 18 months ago. They were investigating the RV lifestyle and hoping to hit the road with their four children on a full-time adventure. They were researching RVs and talking to people about the RV lifestyle. Late last year, they eventually settled on a brand new Fleetwood motorhome.

Within months, they had 101 documented problems with the RV and reams of emails back and forth between the dealer and the manufacturer trying to get the issues resolved. What a way to start the adventure!

A blogger of mine, Dana Ticknor, with the full-timing Ticknor Tribe, purchased a 2015 Crossroads Elevation fifth wheel. When a wall in the upper bedroom developed a crack, and they could no longer move the slideout, they took it to a dealer who discovered the frame was flexing. The tech also discovered the slideout motor was held in place by a single screw.

These are just people I know personally who have had problems in the past year or so. There are literally thousands of other stories of similar problems with RVs.”

Do Not Buy New

“Look on any consumer forum anywhere on the Internet and the advice about the purchase of new RVs is consistent – do not buy new.

People who bought a new rig often had their adventure delayed for 24 months because the RV was constantly in the shop correcting dozens of problems. That is only if the RV dealer could correct the issues in the first place. Most RV technicians do not have a clue as to how to repair significant structural issues with the RVs sold at the dealership and the problem is punted back to the manufacturer.

Change the Marketing Message

Manufacturers need to change their marketing message. Buy this new RV and your first vacation will be in beautiful Elkhart, IN., as you bring the RV back to the factory to get problems fixed. The problems requiring factory repair are so prevalent that RVers forced to go this route must make an appointment months in advance to get into the factory. That takes a bite out of summer fun.

Every RV manufacturer I talk to boasts of having the best, most comprehensive quality control standards in the industry – and some really do. Then why is the failure rate through the roof? Literally.

Kimberly Travaglino told me about the heartbroken family who was camping in their brand new travel trailer a few months ago. They had picked it up from the dealer earlier in the week and were on their first-ever camping adventure. On the trip from their home to the campground, the roof literally peeled back exposing plywood.

I am sure the RV will be repaired in time for use next camping season. But, hey, don't worry, it is covered by warranty.”

Warranty Woes

“In the race to the bottom, RV manufacturers have cut production costs to the core to build units as cheap as they possibly can so they can be sold as inexpensively as possible. The lowest priced RV wins the game.

There is not enough profitability built into this business model for the manufacturer to cover the enormous costs of repair to correct problems with the products they build. EverGreen RV just went out of business due to an enormous number of buybacks and warranty claims. But, hey, they sold a lot of new RVs!

The warranty issue is a source of contention that is getting worse every year. In fact, one dealer told me this week his company lost \$500,000 in two years in un-reimbursed warranty costs.

I told him that it is time to find a new partner, but was told in reply that all RV manufacturers are guilty of playing this game—at least the manufacturers tied to this dealership.

It is beyond frustrating for consumers to be told that their warranty claims are being denied within the warranty period. It is worse when they need service on the road and the dealerships insist they pay for the service upfront and submit a claim for reimbursement from the manufacturer.

It is even worse when the consumer buys an RV with a one-year warranty, but only gets to use the RV two or three times that year because it is in the shop the rest of the season. As a result, many problems are not detected until long after the limited warranty period expires.”

Carry Capacity



Courtesy NullMind.com

“Lightweight. That magical word conveys the idea that a Prius can tow a 35-foot travel trailer. Almost every manufacturer boasts of having lightweight RVs that can be towed by vehicles the buyer already owns. Many dealers sell that idea to consumers who find out later it is a lie and that they really need to buy a new \$50,000 truck to pull their \$50,000 travel trailer.

It does not just impact towable RVs. A few years ago, another blogger was writing about her Fleetwood motorhome. After the family bought it, they discovered it could carry everything but people.

When the weight of full fuel tanks, fresh water tanks and propane tanks were taken into consideration, the difference between the gross vehicle weight rating and the actual weight of the RV was just 400 pounds – and people, food and dishes were not yet accounted for in the equation.

People who develop interior and exterior decoration schemes for RVs must all graduate from the same designer school. Can anyone else explain why they all look almost identical regardless of manufacturer or brand? You have a dark brown or light brown woodworking with light tan or white walls. On the exterior, you can have a choice between red and blue swirls on white, or brown and beige swirls on tan.”

Where Does it End?

“Walmart plastic shopping bags perform two vital tasks – getting groceries from the register to the buyer’s car, and then from the car into the house. After that, if they break, who cares?

Many of today’s RV manufacturers approach construction the same way – build the RV strong enough to get to the dealer and last long enough to get off the dealer’s lot. After that, who cares?

This year, I am spending \$1,135 *per month* on repairs to my motorhome. Last year, it was \$286, but in 2016 I am repairing some of the same problems fixed last year. Every RV owner I know maintains a running list of repair items. After visiting a dealership, service center and the Winnebago factory already, I still need to have the furnace fixed and fuel pump replaced.

The fuel pump costs \$1,800 to repair because the entire tank has to be dropped in order to access the fuel pump. Many of today’s RVs are not built for future service in mind.”

RVs Today are Built to be Fixed and Stored

“Without drastic change, I do not see this improving anytime soon. With 83 percent of the RV market controlled by two corporations, there is no incentive to truly innovate or improve customer service. If you want an RV, you have Company A or Company B.

Thank goodness there are a few Company Cs providing pressure on the big boys.

Some companies like **Grand Design** are enjoying phenomenal growth by building RVs right in the first place, thoroughly inspecting them before they are shipped to dealers and pricing the RVs to make them affordable to consumers, but still have money left to cover warranty work.

The company started from nothing three years ago and is now the fastest growing manufacturer in the industry. I got an email today from one of their consumers lauding Grand Design’s quality and customer service.

It is possible for RV builders to make quality RVs! If one company can do it, they all can.”

Time for a Change

We know where this is leading...another loss of manufacturing income and independence. The Canadian and European RV manufacturers are looking at our profitable industry, getting ready to make their move into our market. Does this seem familiar, a replay of Detroit?

As RV owners, we definitely win if we purchase better quality and better designed rigs. As a nation, however, it is a disaster. Wake up Thor, Fleetwood, Tiffin, etc. and smarten up!

[Read the complete story...](#)

The RV Lifestyle Collection by Margo Armstrong

