

**STOREFRONT**

MARKETING TO A  
DISTINCT, FEASIBLE NICHE

**MARKETING**

ORGANIZING YOUR  
MERCHANDISING CALENDAR

**OPERATIONS**

UNDERSTANDING YOUR  
FINANCIAL STATEMENTS

**OUTSIDE THE INDUSTRY**

CHANGING FOCUS:  
CONTRACTORS TO CONSUMERS

# SpaRetailer®

INSIDE THE HOT TUB INDUSTRY

MARCH/APRIL 2009

## Voices of the Industry

OUR EXPERTS LIVE AND BREATHE HOT TUBS, WHO BETTER  
TO DECIPHER THE CURRENT STATE OF THE INDUSTRY?

IN-DEPTH INTERVIEWS WITH OVER 30 EXECUTIVES FROM  
ALL SEGMENTS OF THE HOT TUB INDUSTRY.

PAGE 47



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- ✓ Great employee gifts
- ✓ Increase referrals
- ✓ Redeem at more than 70 national grocery and gas brands



# March/April 2009

## SpaRetailer

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# 2009

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# March/April 2009

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## Nutritional Facts

### AMOUNT PER SERVING

Minimum Serving ..... 

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# SpaRetailer

Volume 3, Issue 2

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A BIGFISH PUBLICATION

**SUBSCRIPTIONS**

SpaRetailer is a trade-only publication for hot tub industry professionals. Annual subscriptions are available for \$39 per year for U.S. and \$59 per year for Canadian addresses. Other international locations are available for \$129 per year. A 12-month subscription includes six issues and 12 monthly newsletters.

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# About Us

**Who We Are**

*SpaRetailer* is the definitive trade publication in the hot tub industry and is committed exclusively to reporting vital market research and practical tips to aid spa retailers in the day-to-day operation of their businesses.

Ranging from detailed surveys to manufacturer comparisons, store maintenance tips to top-level marketing and financial advice, *SpaRetailer* is the one-stop destination for staying informed and competitive in the hot tub market.

**What We Promise**

- Support hot tub retailers whose livelihoods are dependent on the long-term market viability of the hot tub industry.
- Offer fair and accurate editorial coverage of the hot tub industry.
- Present our editorial content in a professional and visually appealing manner.
- Refrain from covering the swimming pool industry or related pool products.

**ON OUR COVER**

*Thanks to all the industry leaders who participated in our cover story and a special thanks to those who were in our cover photo: Lauren Stack, Sue Rogers, Jim Johnston, James Keirstead, Ron White and Todd Whitney.*

**MAGAZINE** *SpaRetailer* magazine is published bimonthly. Each issue is dedicated exclusively to the hot tub industry.

**E-NEWSLETTER** Our monthly online newsletter is delivered electronically to industry professionals. It features current news, events and industry topics.

**INNER CIRCLE™** The *SpaRetailer* Inner Circle™ is an exclusive peer-to-peer business network sponsored by *SpaRetailer* magazine. It is comprised of fellow retailers and industry colleagues with a common desire to promote the hot tub industry to consumers and share tips, ideas and techniques to maximize profitability, customer satisfaction and referrals.

**SUBSCRIBE** Visit [SPARETAILER.COM](http://SPARETAILER.COM) or call 480-367-9444 for details.



# Cocktail Anyone?

I AFFECTIONATELY NICKNAMED the March/April edition of SpaRetailer as our 'Cocktail' issue.

(And no, for you cynics I don't mention this because hot tub sales are slow and I need a drink.)

I made this comment for one simple fact. Where else but an industry cocktail party could you share and exchange ideas among the industry's brain trust, including CEO's, managers and store owners?

Our cover story, "The View from Inside" page 47, showcases 34 executive interviews representing six segments of our industry – retailers, manufacturers, suppliers, chemicals, associations, even consultants who are doing their part to advance our common trade interests. This feature has taken a significant amount of man-hours to write and I greatly appreciate the efforts of Megan McCormack, Abraham Mahshie and Rochelle Belsito, who co-authored this four-month investigative piece.

These opinions matter. I encourage each reader, particularly retailers, to carefully

dissect the content for subtle tips and ideas to create a road map to weather the economic storm. I know it is tough for many in the industry but there's reason for optimism: The recently passed federal stimulus package and spring selling season will likely infuse much needed customers and capital into our stores...and ultimately our wallets.

Now, I can drink to that!

Best,

**David T. Wood**  
EDITOR & PUBLISHER  
[editor@bigfishpublications.com](mailto:editor@bigfishpublications.com)

## VOICES OF THE INDUSTRY

Not sure what to do next? Afraid of what will happen to your store in the next three months? To help you decipher where the industry is at and where it's going, we gathered years of industry wisdom and knowledge onto the pages of SR. The people we spoke to may not have all the answers, but their insight may point you in the right direction. PAGE 47



SpaRetailer, January/February 2009

# Fingerprints and Furniture

While we asked you to take a close look at who your customers truly are, it was our introduction to "Outside the Industry" that got the most responses. For some it was a great new idea, for others we were coming out of left field, but we hope that for the industry as a whole it creates more opportunities to sell portable hot tubs.

## SELLING OUTSIDE THE BOX , pg. 53

"Our family has sold appliances in Oklahoma City for 47 years and never once considered selling hot tubs until I saw your story on Brook Valley in Vermont."

— *Jack; Norman, Oklahoma (Appliance Store)*

"Your story definitely got me thinking about selling spas."

— *Adam; Henderson, Nevada (Sporting Goods Store)*

"We are getting squeezed by big box stores everyday, so I really think there might be some merit to selling portable hot tubs."

— *Daniel; Bend, Oregon (Hardware Store)*

"We're a garden center. Why the hell are we getting your magazine? We sell flowers. Take us off your list!"

— *Jessica; Albany, New York (Garden Center)*

"I really liked your magazine [SpaRetailer] very much. How do I get a subscription?"

— *Janet; Sacramento, California (By the way, Janet owns a garden center too.)*

## INSIDERS, pg. 18

"When is everyone going to realize that Carvin [DiGiovanni] has an impossible job?"

— *Steven; Doylestown, Pennsylvania*

## ATLANTIC CITY SHOW, pg. 61

"Nice job on the AC [pool and spa show]. Your guide to classes was really nice touch."

— *Brian; Freehold, New Jersey*

## CUSTOMER DNA, pg. 47

"I think your story just scratched the surface. This is a very serious problem that our industry has no idea how to solve. Our customers have changed dramatically, yet we keep trying to ram a spa down their throats at home shows. No wonder our sales are down 50 percent!"

— *David; Cincinnati, Ohio*

## MERCHANDISING, pg. 32

"Thanks for the cheap and easy tip to start wearing uniforms. I have shirts on order for my two spa techs."

— *Mary; Auburn, Washington*

## CONTACT US

Would you like to see more on a particular topic? Have we overlooked a critical industry issue?

Write to us at [EDITOR@BIGFISHPUBLICATIONS.COM](mailto:EDITOR@BIGFISHPUBLICATIONS.COM) or *SpaRetailer Magazine*:

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# Cal Spas Introduces New Spa Line

**GENESIS SPA LINE MANUFACTURED WITH INNOVATIVE, PATENT-PENDING TECHNOLOGY USING A SINGLE SHEET OF ACRYLIC.**

**CAL SPAS INTRODUCES** a new entry-level spa line, Genesis. The Genesis series is manufactured by a patent-pending Geoforming molding process where the hot tub is created out of a single sheet of acrylic. This is the first single-sheet acrylic spa to be made in the hot tub industry.

“We realize the consumers are looking for bargains, people still enjoy a hot tub, but they just don’t want to pay as much for it,” says Shiva Noble, director of marketing for Cal Spas.

In order to produce the Genesis line in the most cost efficient way possible, Cal Spas looked closely at the manufacturing processes they already used.

“For us to be cost effective, for us to be able to come up with the price point that we have come up with, we could not add more cost to it,” Noble says. “We could not buy new machinery, so we looked at the process of what we do with our regular spas and we had to incorporate the same process.”

Other companies have unsuccessfully tried to make a hot tub out of a single sheet of acrylic, but couldn’t achieve

the desired durability. Noble says that this is not a problem with Genesis.

“It’s an acrylic shell backed with fiberglass, so it still has that durability of the fiberglass that everybody looks for. And plus, it is maintenance free,” she says.

Another innovative feature of the Genesis series is that it has the performance of two pump heads but is still able to be plugged into a standard 110.

“You don’t even have to have the cost of putting in a GFCI or anything like that,” Noble says. “You just plug it in.”

Paul Walz, owner of Home Innovation Spas in Lincoln, Neb., thinks the dually pump heads are what make the Genesis series special. “A big disadvantage on 110 volt tubs are you don’t get as much pressure out of the jets. With the dually you get twice the pressure...the jets have good pressure,” he says.

Each Genesis series hot tub has eighteen jets. Four different molds are available: a longer, a non-lounger, a corner tub or a round tub. It is also available in all the acrylic colors of any Cal

Spas hot tub, but the company recommends a select group of core colors that will keep the outside shell looking as clean as possible.

Cal Spas says the early dealer response to the new line has been positive. According to Noble, "They love it."

Walz recently took the Genesis Series to a home show. "People seemed to like it," he says. He added getting an acrylic shell at that price point was attractive to consumers. They also liked the triangular tub design in particular.

Dealer pricing for the Genesis series is \$1850 and it can retail from \$2900-\$3400 depending on the freight.

"You're not giving up any luxury of the hot tub, you're not giving up the performance, you're not giving up the value of what the hot tub offers," Noble says. "It still offers you every single thing you would've found in a regular portable hot tub."

## ■ IHTA BOARD OF DIRECTORS

The newly formed International Hot Tub Association announced its board of directors at the Atlantic City Pool and Spa Show.

**Andy Tournas**  
President  
ThermoSpas

**Mike Dunn**  
Vice President  
Watkins Manufacturing

**Cindi Magray**  
Secretary Treasurer  
Spa Manufacturers, Inc.

**Howard Smith**  
Director  
Pleatco LLC

**Sue Sousa**  
Director  
SunStar Spa Covers and Accessories

**Steve Hammock**  
Director  
Watkins Manufacturing

## ■ DIMENSION ONE HIRES SALES CONSULTANTS

Dimension One Spas has hired three new regional consultants, all of whom come from outside the hot tub industry.

Paul Williams, the consultant for the Pacific region, comes from a background of high-end appliance sales.

Danielle Di Felice, the consultant for the Great Lakes region, has more than

11 years of experience in consumer service industries.

Thomas D. Bigelow, consultant for the North East region, recently worked in the home improvement industry.

Rather than use independent representatives like it has in the past, Dimension One hopes that bringing on these in-house consultants will help them continue to market hot tubs not as luxury items, but as a high-end home appliance.



The image shows a screenshot of the [www.horizonparts.net](http://www.horizonparts.net) website. The header features the website's name in a large, lowercase, sans-serif font, with the tagline "Providing Parts & Knowledge To Serve the Industry" below it. The background of the page is a light blue color with a repeating pattern of various pool and spa hardware components like valves and filters. A large, semi-transparent diagonal banner across the center contains the text: "offers service technicians an extensive inventory of parts and equipment to serve the industry", "are looking for is available in the marketplace, you'll find it", and "staffed by professionally trained service technicians who know pool and spa equipment". Below this banner, there's a catalog image of the "2008-2009 Parts Catalog" and a screenshot of a product page for a "Pentair PacFab Triton II Sand Filter TR40,50,100,140 Models". The page includes a search bar and navigation links. In the bottom right corner of the banner, there's a "Mystery Parts? Use our search" section. The bottom of the page features a large, bold text "the best way to purchase spa & pool parts!" and the "Horizon Spa & Pool Parts, Inc." logo with the phone number "800.874.7727". To the right of the banner, there's a vertical list of features: "Filter Finder" (13 different ways to search for a cartridge), "Technical Library" (Valuable resources for the professional – available with a click), "Real Time Inventory" (Order with confidence 24/7), "Clickable Product Diagrams" (A cutting-edge tool that helps you purchase the right parts), "Account History" (18 months of invoices and purchasing history), "Customizable Pricing" (Display your retail prices or our wholesale prices), and "Robust Cross-Reference" (Find what you need with a manufacturer, vendor, or OEM number).

## INDUSTRY CALENDAR

## MARCH

12-14

Western Pool & Spa Show  
Long Beach, CA, USA

22-28

NPPA National Aquatic  
Conference  
Houston, TX, USA  
~~CANCELLED~~**SUNBELT SPAS'  
WAREHOUSE  
IN RUINS AFTER  
DEVASTATING FIRE**

A four-alarm fire destroyed the Sunbelt Spas Houston, Tex., factory and warehouse January 23, 2009 at approximately 9:45 p.m.

Volunteer firefighters arrived on scene around 10:00 p.m. Soon after, the Houston Fire Department was called in to help extinguish the flames due to the magnitude of the fire.

Firefighters were forced to shut down nearby Highway 6 and evacuate 100-150 residents that lived near the structure. Evacuees were allowed to return to their homes after Hazmat tested the air.

No one was hurt in the fire, but approximately 100,000 square feet of Sunbelt Spas' buildings were destroyed.

Since the fire, agents with the Bureau of Alcohol, Tobacco, Firearms and Explosives have been called in to investigate.

"ATF is investigating this fire jointly with the Fort Bend County Fire Marshal's Office. We will work together in partnership to determine the origin and cause of this fire," said Dewey Webb, ATF Special Agent in Charge of the Houston Field Division. He estimates that damage to the building to be approximately \$6.5 million.

Sunbelt Spas is planning to rebuild and is currently working out of modular units. They were unable to be contacted for comment.

The cause of the fire is still unknown.

**CPSC HOT TUB  
DECISION STALLED**

The Consumer Product Safety Commission's decision on VGB Act's impact on portable hot tubs has been stalled due to a New York court overturning a CPSC opinion on the Consumer Product Safety Information Act.

The CPSC had recommended that toys containing phthalates that were manufactured before the CPSIA went into effect should still be allowed to be sold. A Federal District Court judge overturned the advisory opinion. The hot

tub industry was similarly hoping that hot tubs manufactured before the December 19, 2008 enforcement date of the VGB Act could still be sold as well. The recent court opinion may damage that request, but the APSP still believes there can be a positive outcome.

On January 30, the CPSC released an updated series of answers to frequently asked questions concerning VGB. While portable hot tubs were not addressed specifically, language concerning in-ground, public spas suggested that the wording concerning portable hot tubs would be favorable.

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**JACUZZI  
 ANNOUNCES NEW  
 PRESIDENT AND  
 NEW EVP-SALES**

Robert I. Rowan has been named the new president and CEO of Jacuzzi Spas International by Jacuzzi Group Worldwide President & CEO, Tom Koos.

Rowan, who joined the company in July 2008, will continue to serve as the president of Jacuzzi Luxury Bath as well. As President of Jacuzzi Spas International, he will take on leadership of both Jacuzzi Hot Tubs and Sundance Spas.

Prior to joining the Jacuzzi team, Rowan spent 12 years at Black & Decker in senior executive roles before he was named president of the firm's Construction Power Tools division.

Since the expansion of his leadership role, Rowan has elevated Jerry Pasley to executive vice president of sales for Jacuzzi Hot Tubs and Sundance Spas. As Executive Vice President of Sales, Pasley will continue to be responsible for domestic and international sales of both hot tub brands and leading the sales management team.

Pasley has been with Jacuzzi for over two decades and has held positions in sales and sales management including Regional Sales Manager, Director of Sales and Vice President and Senior Vice President of Sales.

Former President and CEO of Jacuzzi Spas International, Jonathan Clark, stepped down from the position to pursue a career outside of the industry and spend more time with his family.

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**CREATE AN EFFECTIVE CUSTOMER SERVICE SURVEY THAT NOT ONLY GENERATES RESPONSES, BUT HELPS IMPROVE THE OVERALL QUALITY OF YOUR HOT TUB BUSINESS.**

**IF YOU RECENTLY SERVICED YOUR CAR** or purchased a new product, chances are you were asked to give some form of customer feedback. Whether it was conducted in person, over the phone, by mail or was web-based depends on the retailer, but every survey is intended to capture similar information. Retailers want to know about their store's service, how employees are performing, what customers think about the selection of products and their overall satisfaction. Learning how to perform these surveys and how to get customers to respond can be beneficial to the success of your hot tub business.

Conducting surveys is helpful to both the consumers and the retailers. Surveys can determine any unmet client needs, show owners which products customers are interested in and improve the quality of business. Don Riling, sales manager of Olympic Hot Tub Company in Seattle, Wash., reiterates this importance. "I think if people aren't [conducting surveys] there isn't a lot of desire on the company's part to make sure that they're finding out what the customers are saying about the way they're doing things – from the sales to the delivery to the service process – and there's no way for them to continually improve," he says.

To begin creating a successful survey decide what type of questionnaire you're going to administer and when and how it will get to the consumer. This could include approaching them in the store to ask questions, providing in-store forms, having a third party call soon after their service, and mailing or e-mailing a survey. Also decide if you will give an incentive to those who participate. Riling's company delivers their surveys along with an incentive coupon when the hot tub is installed. "If they fill it [the survey] out at the time of delivery, then we will make the coupon a higher dollar amount," he says.

Consider your options when developing the survey. For web-based surveys you can choose from a variety of online survey companies that will help monitor the results (see sidebar for more information). If you decide to use the phone, there are third-party companies available to conduct the survey for you. Those companies may be the best option for phone surveys because the person conducting the survey will be unbiased. For mail or in-store surveys, choose the length carefully. If the survey is succinct and easy to fill out, the consumer is more likely to take their time to provide feedback.

Choose the questions you're going to ask carefully. Ask questions such as age, gender and marital status to help determine your target demographic. Knowing whom your business caters to can help improve sales. Other questions, such as 'Rate your overall satisfaction with our store,' and 'Was the staff courteous and helpful?' can serve as jumping points for the survey. Also, consider asking questions directly about your workers and if certain tasks were completed to the customer's satisfaction. Riling believes, "If you have those kinds of questions on [a survey] then the impression with the customer is that [if there is a problem] it is going to get taken care of."

Sort through the information as it is collected. Don't just let the surveys pile up: Take the time to see what your customers are saying. This will not only help improve your team of workers, but improve your relationship with your clients.

"I think you have to establish at the start that there's going to be open communication between you, the company, and the customer," Riling says. "In my opinion, it will also generate better referral rates, so you get repeat business from them and business from their friends and family members." ■

## ONLINE SURVEY COMPANIES

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# Commission, Salary or Both?

IT'S TOUGH TO KNOW HOW TO PAY YOUR EMPLOYEES FAIRLY, ESPECIALLY NOW THAT THE ECONOMY HAS STUMBLED. DO YOU TRY TO KEEP THEM MOTIVATED BY PAYING THEM COMMISSION ONLY? OR DO YOU PAY THEM A SALARY UNTIL THINGS PICK BACK UP?

**"Salary keeps everyone as a team and not competing and allows them to have something to start with."**

— Karen Port, Co-owner  
Mirage Spas and Recreation  
St. Louis, Missouri

"Everything has changed now. It used to be people would come in the door and the salesmen could be paid commission and you didn't have to worry about salary. Now that nobody is coming in the store, it's tough to figure out how somebody should get paid. It's tough because a guy can't live on commission-only waiting on somebody to come in the door."

— Bob Ely  
Owner, All American Hot Tubs & Swim Spas  
Sarasota, Florida

"[I pay] salary and commission always, because it is hard to find sales people to be straight commission. I'd love straight commission because sales people would be more aggressive, but it's tougher. When you get salary and commission involved, it still motivates them."

— Scott Bourque  
Owner, Splash Pools and Spas  
Deer Park, Texas

"From the business owner's standpoint it would be commission because as a business owner you can set the commission rate and if the guy doesn't perform you don't owe him anything. But on the employee's end it would be salary because the thing is, if you're on commission right now with the current economy you're in trouble."

— Wally Hall  
Owner, Spas of Parker  
Parker, Colorado

"We've always done a combination, because there are certain things that we need to ask them to do in addition to sales. Because we're so small, they have to do a wide range of things. When somebody calls in for service or when they call in and they have an issue they need to get resolved, everybody helps. Doing salary keeps everyone as a team and not competing and allows them to have something to start with. We pay them a commission, but we pay 50 percent of the commission upon the sale of the hot tub and then we pay 50 percent upon delivery. That way they always have money coming in."

— Karen Port  
Co-owner, Mirage Spas and Recreation  
St. Louis, Missouri

"For sales people in particular, I think it's probably a combination of both. The more seasoned ones seem to prefer commission, so we give them the option. The ones that really want to go out after it, they tend to be full commission. Usually they'll start off on a combination of commission and salary, but as they get to understand the business, once they see they can make more strictly on commission they tend to go for that."

— Mike McClure  
Owner, Pro Pool and Spa, Inc.  
St. Simons Island, Georgia

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# Finding the Way to Niche Marketing Success

**SPRAYING AND PRAYING IS A THING OF THE PAST, MARKETING TO A SPECIFIC GROUP CAN GET YOU REAL RESULTS. BY DAVID FREY**

## ABOUT THE AUTHOR

David Frey is the author of the best-selling manual, "Recession Proof Your Spa and Pool Business" marketing system and the Senior Editor of the "Spa and Pool Success eNewsletter." To get your free lifetime subscription visit [SPAPOLLSUCCESS.COM](http://SPAPOLLSUCCESS.COM).

**"IF YOU MARKET TO EVERYONE,** your customer will be no one." This old saying is as true today as it was when it was first spoken. Spa business owners waste an immense amount of their marketing dollars on mass advertising to blast their message to the entire marketplace. This is commonly referred to as "spraying and praying" in the marketing world.

## THE SOLUTION: NICHE MARKETING

Niche marketing, on the other hand, allocates a smaller portion of your marketing budget on building a prospects list and then investing the rest on converting those prospects into customers. This is a more effective use of your precious marketing dollars and has a much higher prospect to customer conversion rate – not to mention a significant increase in referrals.

By definition, niche marketing is the process of narrowing your marketing efforts to groups of prospects that have a high likelihood of purchasing your hot tubs. There are two types of niches, (1) business occupations such as C.P.A.'s or teachers and (2) subcultures such as people with arthritis or people who like to travel. Once you come to intimately know the niches you've selected as your market, your ability to convert prospects into customers becomes infinitely easier.

## YOUR NICHE MARKETING PROGRAM

Setting up your own niche marketing program for your spa retail store is simple if you use the following steps. Each step is important to the success of your niche-marketing program. There are no shortcuts to niche-marketing success.

## CHOOSE A NICHE

When choosing a profitable niche make sure that it's one you can easily contact by mail or e-mail. A good choice would be a niche with available mailing lists. Your niche should be one that communicates amongst itself through community groups or events. It helps if your niche already understands the benefits of a spa and suffers from problems that a hot tub solves. Lastly, ensure that your niche has the money to purchase a high-ticket item such as a spa.

Perhaps the easiest method of choosing a niche is to review your customer list and look for groups of people in the same occupation or subculture. The beauty of this method is that the niche you choose has already proven that they want a spa.

Potential niches you might consider are people who suffer from arthritis, type 2 diabetes or insomnia. Or consider upper-income individuals who experience back or neck pain or professionals who have high-stress jobs such as lawyers, surgeons, teachers and police officers.

## DEVELOP YOUR MARKETING MESSAGE

Once you've chosen your niche your next step is to develop the marketing message that you will deliver to your prospects. To develop your message you'll need to know what problems or issues they are facing, what results they are looking for and what it is about your service or approach that is going to interest them and make them remember you.

You should expect to develop a lead generation special report. The special report can be 5-10 pages in length and should identify your prospect's problem, create a mental picture of the negative

effects of the problem and talk about the benefits of owning a spa and how it will solve their problem. This special report can be in written form or, better yet, as digital audio or video.

You also will need to create two sales letters. One should promote the report and the other should present an irresistible offer on a spa. You should also create a testimonial book that contains endorsements from people in your niche with accompanying pictures of them using their spa.

Lastly, you'll need a brochure. But not a standard manufacturers brochure – one that is custom developed for your niche. So if you choose to market to people with arthritis and police officers, you should develop two different brochures that include messages specifically targeted to the needs of both niches. The brochure doesn't have to be glossy and expensive, but should talk directly to your niche.

## OBTAI<sup>N</sup> OR GENERATE A LIST OF PROSPECTS

Your list of prospects is the most valuable element of your niche marketing program. First, look for existing lists of niche prospects. For example, if you're targeting arthritis sufferers you might buy a list of local subscribers to *Arthritis Today* magazine. If you choose lower back pain sufferers and can't find an existing list, consider a deal with local chiropractors or massage therapists to do mailings to each other's customer lists.

## CONTACT YOUR NICHE

It's time to assemble your marketing message and send it to your niche market. This will be done in two steps. First, send your sales letter offering your free special report. Ask your prospects to respond by calling you to order their free report. The next step is to send the report to those who responded to your mailing and combine it with an irresistible offer on a spa or pool.

**WARNING:** This step is a common area where many business owners either cheat or skip altogether by just sending a one-step offer to the list. People are tired of one-step, "in your face" marketing. They want to be courted first. By sending good, non-sales type information you'll be establishing a warm relationship, which will prepare your prospect for your offer.

## FOLLOW UP

Following up with your prospects is key! Ninety-eight percent of all business owners rarely follow up after their

first mailing. Yet, studies have shown that a prospect needs to see you and your offer at least three times to make an impact.

Using contact management software such as ACT! or GoldMine you can program your mailing sequence so that once you've entered a prospect's name, the software will remind you every day what mailers need to be sent out and to whom. Using contact management software will put the mailing process on autopilot so that even your lowest level employee can run the entire program by themselves.

**TO LEARN MORE ABOUT ACT! AND OTHER SOFTWARE, SEE OUR LEADS SECTION. PAGE 31**

## DEVELOP A NICHE REFERRAL PROGRAM

Now that you've taken the effort to establish your niche marketing program, you should leverage your efforts by implementing a systematic referral program. Remember when I mentioned that it was important to choose a niche that communicates amongst itself? This is why! If you've created a happy customer they will begin to talk to others in your niche.

For example, if you've targeted members of a retiree group such as your city's AARP, they will start to talk about you in their monthly meetings and informal get-togethers. You can multiply this by offering customers incentives to help motivate them to tell their friends.

Make your referral program a systematic part of your business. Then it can be measured accurately and people can be compensated based on results. For instance, you might consider awarding free services or products to customers in your niche that write a personal endorsement letter to two friends. You provide the endorsement letter template and they provide their testimonial and two friends.

## CONCLUSION

There is a misconception that if you narrow your target market there will be fewer prospects to market to; however, you'll find the opposite to be true. Once you begin to tailor your message to the specific needs of your niche and you begin to receive word-of-mouth advertising within your niche, new customers will come out of the woodwork. In fact, your customer base will actually begin to expand.

To be competitive during the economic slowdown, you need to consider new methods and marketing techniques to reach more high-quality prospects. Niche marketing is a proven way to uncover new prospects, increase closing rates and boost referrals. ■



Photos: Hot Tub Hauler

# Easy Hot Tub Hauling

**BECOME THE HERO OF YOUR DELIVERY TEAM BY PURCHASING THE HOT TUB HAULER DELIVERY SYSTEM FOR SPAS.** BY PATRICIA BATHURST

**WHENEVER YOU CAN INCREASE** customer satisfaction and service, enhance your company's market presence and make life easier for your employees, you have a winning combination. Even better, you've gained an edge over your competition and added incremental income to your bottom line.

Jeff Zissulis, owner of Hot Tub Hauler USA in Merrimack, N.H., recalls, "The first delivery I did, the customer braced planks against the side of his house and used his tow truck to winch the spa up to a third-story room. I just watched."

He knew immediately there had to be a better way to get a spa into place.

## ABOUT THE SYSTEM

Zissulis was a pro at delivering hot tubs and used a standard trailer for more than 1,500 deliveries. But he was constantly replacing its bearings, the lights never lasted more than a couple of months and even the pins popped out, leaving the trailer – and occasionally a spa – behind. He came up with a better idea, and worked to improve it.

The Hot Tub Hauler is more than a trailer, it's a system designed to put a spa into exactly the right spot with minimal stress to the environment and to the employees delivering the spa. The trailers are aluminum with the interior sides protected by rub rails, which can double as tie-downs that go from side to side and front to back.

All trailers include either a spa slide or an aluminum cart, which can hold up to 1,200 pounds and a trailer trolley that incorporates a "Johnson bar" so tubs can be lifted off the ground by at least six inches.

## SIMPLE, EASY TO USE

"Our customers see the systems as a long-term investment in

their own company," Zissulis says. "It's exceptionally easy to use, especially since tubs aren't getting any smaller. It's designed to make deliveries easier and faster for the delivery crew."

"We often make two or three deliveries a day," says Bob Stencavage, owner of Oasis Hot Tub & Spa in Nashua, N.H. "I'm kind of an evangelist for technology, and in our business, safety and saving time are an important part of our culture. This system is easy to work with. It can pivot on a center point, and is definitely easier on our delivery team. Even better, we've been saving money on damages that, previously, occurred to either the tub or our customer's landscaping."

## LOOKS PRESENT A PROFESSIONAL IMAGE

Since it is made of aluminum, the Hot Tub Hauler system is also designed to look good for years. Typically, carts and trailers rust, presenting a worn appearance.

"It's specifically designed to present a good image on the road and to customers," Zissulis says. "It's intended to convey a sharp, professional image."

That's important to his customers, Stencavage confirms. "I'm an aesthetics guy, a real visual customer. We bought our first system a year ago, and it looks as good as the day we bought it."

## SAFETY ON THE ROAD AND IN DELIVERY

Zissulis designed the system to incorporate Dexter axles on the trailer, which are rated for 2,200 pounds LED lights on the trailer are flush mounted for longer life and safety.

"Safety is our number one concern," says Stencavage. "This system seems to be built for road safety, and because it makes moving the tubs easier and more accurate, it's safer when we're moving the tubs into place, too." ■

*For more information: [HOTTUBHAULER.COM](http://HOTTUBHAULER.COM). or 877-472-8827.*



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# Neat, Clean and Ready for Sales

**A NEW SPA AND A STORE THAT CLOSED TURNED A SHOPPER INTO A BUSINESS OWNER. PHOTOGRAPHY BY IAN CHRYSLER**

**MIKE MADORE AND** his wife loved their new Beachcomber Hot Tub. So when the store where they purchased it changed ownership and brands, Madore decided he could fill the Beachcomber void in his area and opened his own store.

Describing himself as “picky,” Madore took great care deciding the design of his store, traveling to all Beachcomber locations within 200 kilometers, giving Beachcomber free reign on his paint scheme and enlisting their input on his store layout. The result is an atmosphere that helps bring his customers back time and again.

“When customers come in it’s more for chit-chat,” Madore says. “I think the most important things that I’m happy with are the cleanliness of the store and how easy it flows. People like coming in and the stuff is easy to find; it’s not cluttered and people pick up on that.” ■



## BEACHCOMBER HOT TUBS DURHAM

### LOCATION

Whitby, Ontario, Canada

### NUMBER OF LOCATIONS

One

### SIZE

3,400 square feet

### BRAND CARRIED

Beachcomber

### IN BUSINESS

Approaching five years, opened in 2004.

### OWNER

Mike Madore





### FAVORITE STORE FEATURE

When setting up his water-testing station, Madore decided to disguise it behind a tiki bar. "We sell them, so I've made my display a working display," Madore says.

"I made it subtle. It doesn't look like a chemical area, but the test station is at the back, all the water test chemicals are kind of hidden. It's a fun atmosphere, customers always ask for a martini when they're there."



## FINDING THE RIGHT PEOPLE FOR THE JOB

Madore's employees, like the part-time employee seen behind the counter (top right), are usually found through his customers.

"I hire the teenagers of current Beachcomber Hot Tub owners," Madore says. "They actually have a feel for a hot tub, they know the mentality, they know the fun they can have in a Beachcomber."

The parents will often check up on their children, making sure they're doing a good job. It also gives Madore the opportunity to get to know a person before he hires them.

"We always sponsor teams that our customers are involved in, we support our own," he says. "You'll always hear, 'If you need anybody let me know.' I ended up with three or four employees I kind of knew already."





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- \* Cleans up easily with mild soap and water

### Rayner Economy Series

- \* 1-lb. density EPS foam inner core with reinforcement channel
- \* R16 insulation rating
- \* Soft, durable 30 oz. Marine Vinyl available in 12 colors
- \* UV resistant and mildew-proof
- \* Cleans up easily with mild soap and water

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# Lead Software

**CREATE A CUSTOMER DATABASE TO MEET YOUR LEAD-GATHERING, SALES-GENERATING AND NETWORKING NEEDS. BY MARY M. MURPHEY**

TO MAINTAIN A SUCCESSFUL SPA BUSINESS you need to know your customers as well as, if not better than, you know yourself. That means you need more than just their names and phone numbers – you need to know about their local communities, their internet usage, their family size, their income and their reasons for purchasing a hot tub.

But that's only half the battle. You also need to be able to access this data quickly and efficiently, and use it help you market to your current customer base and expand that base as you see fit.

Make no mistake, maintaining a customer database, and utilizing it to its potential, is a challenge. It's not for the faint of heart, but rather, for the determined retailer who understands the profits stood to be gained by their investment of time and energy.

The first commandment of adopting a customer database is embracing technology. Computer software can organize and store important customer information more efficiently than you can manually. Your time is better spent reaching out to your customers once you've used technology to narrow down the particular group you want to target. Technology also lends greater accessibility to a system, allowing it to be used at multiple locations with minimal assistance or support needed.

## SALESFORCE.COM

San Francisco-based SALESFORCE.COM is one of the leaders in customer relationship management. Its top sales force automation application allows for greater flexibility and customization, letting you manage leads and then import and save pertinent data to be used in future sales.

The online lead capturing ability of SALESFORCE.COM is a form-based process that automatically generates a customized response

to the interested party. Duplicate leads, contacts and accounts can be merged into one entry making it easier for your hot tub sales staff to manage accounts and prepare for sales pitches.

This program also allows you to enforce your company's specific lead qualification processes to make sure that all sales representatives are on the same playing field, and sales reps are immediately notified when a lead has been qualified. It also is possible to import leads from offline sources such as trade shows, seminars and direct mail.

Once you have customer info, it's easier than you may think to effectively communicate with them. Your sales force can send personalized e-mails to targeted groups within your database, and it allows for easy tracking of their responses.

## ACT! CONTACT MANAGER

Sage Software, Inc. offers several CRM programs including ACT! – a data-management solution tailored to individuals and small businesses. The program has features suited to aid users in daily tasks, including scheduling appointments and maintaining to-do lists. ACT! monitors leads and provides summaries of priorities and sales opportunities. You also can customize the look of the program using the Layout Designer for a more personalized experience.

## SALESLOGIX

Another CRM option from Sage is SalesLogix. The comprehensive program offers several automatic response options. It allows everyone to view customer interactions so that the best possible customer service is achieved. A mobile option from SalesLogix allows users to access lead-management tools remotely, so your sales team always knows what is happening. ■

## ONLINE LEAD PROGRAMS

SALESFORCE.COM  
ACT.COM  
SALESLOGIX.COM

# Merchandising Planning

## A DETAILED MERCHANDISING CALENDAR WILL KEEP YOUR STORE ON TRACK AND HOPEFULLY ENSURE THAT SALE IS AS SUCCESSFUL AS YOU HOPED.

**YOU MAY THINK** you are on top of the preparations for your big event, but the next thing you know, the day is upon you and you haven't had a chance to do all the things you had hoped. You rushed to put your ads together, you only got a few signs done and your employees weren't ready for the barrage of phone calls. Has this happened to you before? In one way or another it probably has. Fortunately, proper planning and a well-thought-out calendar can save you and your hot tub store a lot of stress and frustration. This is our version of what that calendar should look like, and a step-by-step explanation of the tasks that need to be completed.

### MAIN COMPONENTS

#### A) Header

Make sure your header includes your company, the calendar year and the pullout segment's event. Since the pullout may use numbers rather than the date to indicate periods, knowing the event name is especially important.

#### B) Task List

Include a list of all your marketing tasks for the event next to the calendar. This will make it easy to see what needs to be done and when.

#### C) Calendar

Make a task-by-day calendar with each week outlined. The more organized the calendar, the more beneficial it will be for you and your staff.

#### D) Campaign Legend

Consider color-coding tasks/type of task. This will make it easier for employees to identify what is happening when.

### A **ABC SPA COMPANY** 2009 MERCHANDISING CALENDAR *4th of July "Blow Out" Hot Tub Sales Event*

MARKETING TASK										C 3 WEEKS PRIOR		2 WEEKS PRIOR			
<b>B</b>	1	Brainstorm 4th of July Day Sales Ideas													
	2	Create Ad Copy for 4th of July Day Sale													
	3	Order Newspaper Ads													
	3	Order Radio Spots													
	4	Introduce Sales Program to Sales Force													
	5	Start Running Newspaper Ads													
	5	Start Running Radio Ads													
	6	Hold Staff Meeting to Discuss Sales Details													
	7	4th of July Day sale Date (7 days)													
	8	Post Sales Team Debriefing (Pros/Cons)													
	9	Create Sales Conversation Reports													
	10	Begin Labor Day Sales Event Planning													
	11	Lead/Prospect Follow-up (Year Round)													

## MARKETING TASK BREAKDOWN

## 1) Brainstorm

Meet with your marketing team to discuss ideas for the campaign.

## 2) Advertisement Copy

Create the copy for your advertisements. Make sure your message conveys your sale and is easy to understand. Be sure to include a strong call-to-action, making your company stand out – especially during high sale periods.

### 3) Order Advertisements

Take the time to choose which companies you want to run your advertisements and place the orders.

#### **4) Fill In Your Staff**

Introduce the sales program to your employees. Let them know what to expect and how the week should go. At this time, also inform employees if they will need to work any extra hours. Be sure to take the time to do any employee training that may be necessary so the sale will be as successful as possible.

## 5) Start Your Ad Campaigns

Indicate the start date of campaigns on your calendar. Prepare your employees to expect phone calls regarding the event at this time so they'll be ready to inform existing and potential customers about your sale.

## 6) Update Your Staff

Hold another meeting to update your staff about the event. Let your employees know of any changes, details and expectations. At this time present the work schedule, employees will benefit from knowing when they will be on the clock.

## 7) Event

Put your event on the calendar so everyone can be aware of the in-store activities.

## 8) Follow-Up

Meet with your staff to let them know how they performed during the sale. This should include a discussion of the pros and cons of the event. Consider having a question and answer session to stimulate conversation and get employees talking about what they thought of the event. Discuss any questions that arise and what can be done better next time.

## 9) Create Reports

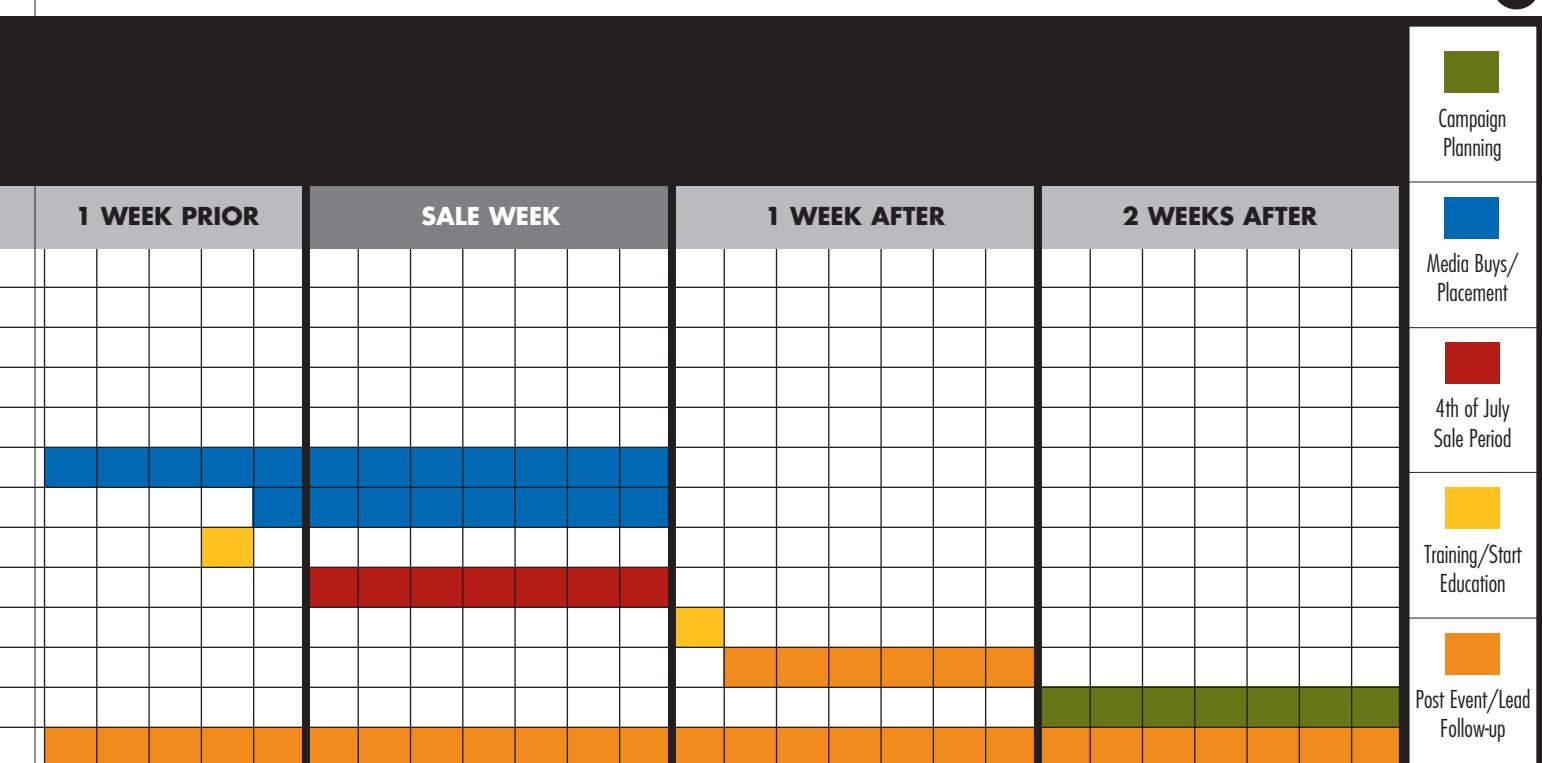
Create sales conversion reports. This should show the sales you obtained during the event and compare it with your normal sales and any events you held last year at the same time.

## 10) Brainstorm

Begin planning for your next event. Take what you learned during the last event and start gathering ideas to make the next even better.

## 11) Lead/Prospect Follow-Up

This is something that should be included on your calendar every day. It is important that your staff knows at least one of their daily tasks is following up with leads.





# Radio Promotions

**EXPAND YOUR CLIENTELE WITH THIS EASY, AFFORDABLE AND EFFECTIVE METHOD OF ADVERTISING.**

**IF YOU'RE A SMALL-** to mid-sized hot tub retail business, you may want to consider new advertising options that could help boost your clientele while not breaking the bank. One of these options is creating a radio advertisement. By putting your message on the airwaves, you will be reaching one of the most widespread, diverse and retained audiences.

According to Arbitron, a research company specializing in media data, radio reaches approximately 234 million listeners each week and has retained 92 percent of listenership over the past five years. This shows the diverse audience and staying power of radio even with today's new media.

Ross McColl, owner of Beachcomber Hot Tubs London in London, Ontario, uses this type of advertising for his own store. Like others using radio campaigns, McColl notices the benefits of this type of media. "Radio seems to be one of the best ways to keep your name on people's minds and reinforces print [ads] and mailers," he says.

Many radio stations also are beginning to stream online, and this, too, will help reinforce your company's name since your

website will only be a click away. It is possible that when these radio stations broadcast online they will move from local to national listeners. This could help increase traffic not only to your store, but also to your website. Keep your website updated if this is the case.

When starting your new advertising venture it is important to find a radio station that suits your needs. Every station targets a different demographic. It's up to you to collect the information needed from the stations so you can find the ones that have an audience similar to your target customer base. For example, if you're marketing hot tubs to patients with arthritis you may want to consider advertising on an oldies or classical station, since they often have an older audience. If it's the younger consumer you're looking to sell hot tubs to, you may want to consider a top 40 or rock station. After you've found a station that fits your target audience, learn about their listeners.

Knowing how many people are listening to the station and when they are listening is important to the time frame in which you run your ad and the ad's overall cost. This will also give you an idea of how many peo-

## CHECK OUT THE FACTS

### GOAL

Drive traffic to the store

### PERSONAL TIME

Minimal – ½ an hour per ad to write, 20 minutes to record the ad  
1 hr  40+ hrs

### DIFFICULTY

Novice  Expert

### COST

Varies by city/station/number of stations, approx. \$6,000 to \$7,500/year for one station.  
\$0  \$10,000+

ple are going to hear your message. Remember, the larger the audience the more likely your sales pitch will be heard.

Don't just go with your first choice. Check out proposals from different stations and see what is available and what costs you may incur. It also is important to understand what you'll be charged overall. Often, radio stations will charge you by the time of day you want to run your ad, the number of times it will get played, its length and the average number of listeners that may hear the advertisement. The average cost, however, should remain minimal.

Consider a sponsorship with the station; this will give your company extra publicity by having a host mention your hot tub retail store during news and weather updates. Or, if you are a hands-on owner, you may want to consider recording your own voice for the advertisement.

McColl notes, "My son, Jeff, who is a partner in the business, uses his own voice on the ads, which has created a lot more feedback from customers and acquaintances who say they heard the ads." This will make people feel like they already know you and your company will seem more welcoming, possibly generating more customers in the end. ■



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# Google Analytics: Sizing Up the Competition

HOW DO YOU COMPARE TO OTHER WEBSITES IN THE HOT TUB INDUSTRY?  
FIND OUT THROUGH GOOGLE ANALYTICS BENCHMARKING. BY RICH BROOKS

See the Internet section  
of SPARETAILER.COM for  
'Google Analytics: The  
Key to Qualified Leads,'  
or find it in the Jan/Feb  
issue of SR on page 36.

**GOOGLE ANALYTICS PROVIDES** loads of great information on how your website is performing. It lets you know whether your traffic is going up or down, how people are finding you, what search terms they're using, what your conversion rate is, etc.

However, it didn't offer the answer to a question I'm often asked: "How do I compare to other hot tub retailers?" Until recently I've responded, "Ummm...is that car on fire?" and then ran away when the person turned their head.

But now, Google Analytics – the free traffic reports offered by Google – is offering benchmarking data so you can compare your results to the industry average. The only catch is that to benchmark your site against your industry, you have to be willing to share your own data. No one sees your website's traffic reports; rather this information is added to the vertical industry average in Google's reports.

## HOW DO YOU SET UP BENCHMARKING IN GOOGLE ANALYTICS?

- 1) Get a Google Analytics account up and running.
- 2) Click on "Edit Account and Data Sharing Settings" from the Google Analytics home page.
- 3) Choose "Share my Google Analytics data." and then check off "Anonymously with Google products and the benchmarking service." Save your changes.
- 4) Log into your website's analytics. Under "Visitors" you'll now find "Benchmarking."
- 5) Choose your industry from the list provided.
- 6) Compare your traffic to the industry average.

You also can compare yourself to other related industries. Unfortunately, currently you don't appear to be able to compare yourself to multiple industries at the same time.

You are only compared to "sites of similar size," defined as "small, medium and large," but there are

no specifics on when you've left one classification and moved to the next. In fact, they don't even tell you what classification your site falls under.

## HOW ACCURATE IS THE DATA?

The data is only collected from companies that are running Google Analytics and have opted into the benchmarking service, so the sample size may still be relatively small. The more companies that share their data anonymously, the more accurate the data becomes.

It's also not clear how Google assigns a business to a specific category. According to the help center:

"When benchmarking is enabled, Google crawls the websites in the account then categorizes them by vertical and the amount of visits. The data is then made anonymous through aggregation."

## HOW HELPFUL ARE THE REPORTS?

The reports are pretty simple. They include comparisons on:

- Number of visits
- Number of page views
- Number of pages/visit
- Bounce rate
- Average time spent on site
- Percent of new visits

Whether more reports or more detail will be available in the future is anyone's guess.

## HOW CAN I BEST USE THESE REPORTS?

Despite their limitations, these reports are great for the marketing department as proof of their campaigns' efficacy or the need for a bigger budget, depending on the results. Small business owners also can benefit from

knowing how they compare to the competition.

Ultimately, you shouldn't be overly concerned if your bounce rate is a little higher or your page views are a little lower than that of your competition. These are only indicators.

What's more important is how many prospects you have in the pipeline, how many tubs you're selling and how profitable you are at the end of the year.

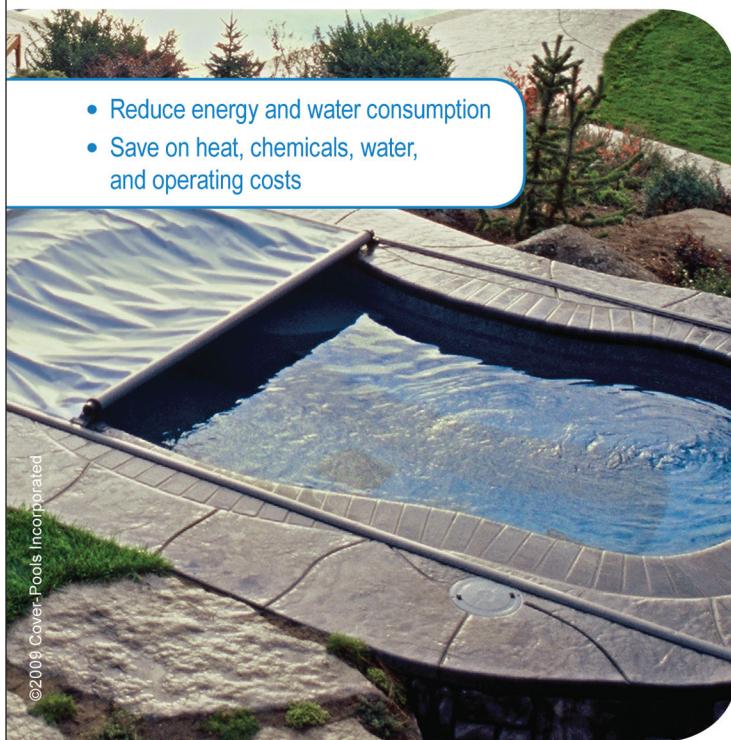
## IN CONCLUSION

Google Analytics benchmarking service is still listed in beta, so there undoubtedly will be lots of improvements made in the coming months, in functionality, quality of data and documentation. If you've wondered how you stack up against the competition, this benchmarking tool is a great place to start. ■

## ABOUT THE AUTHOR

Rich Brooks is founder and president of flyte new media (FLYTE.BIZ), a web design and Internet marketing firm in Portland, Maine. He writes a monthly e-mail newsletter, flyte log, and blogs regularly at flyte blog: web marketing strategies for small business (FLYTEBLOG.COM) and at MAINETODAY.COM on web marketing topics such as search engine optimization, e-mail marketing, business blogs and social media strategies.

He teaches a web marketing course at the University of Southern Maine's Center for Continuing Education and is the "tech guru" on a local evening news program.



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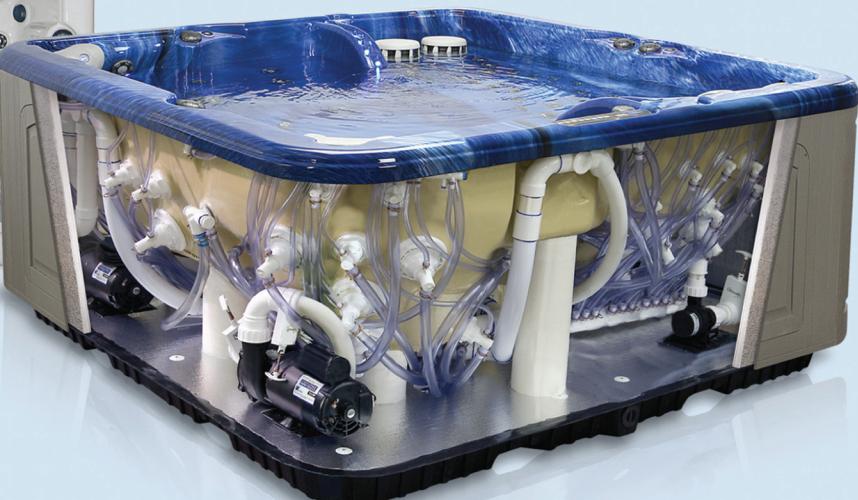
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# Do-It-Yourself Legal

**RUNNING TO A LAWYER FOR EVERY LITTLE THING IS AN UNNECESSARY EXPENSE FOR YOUR HOT TUB STORE. LEARN WHEN TO SEEK COUNSEL AND WHEN TO DO IT YOURSELF. BY RICHARD HALL**

**RUNNING A COMPANY** comes with a number of challenges, some which involve the services of legal counsel. When you consider worker's compensation, sexual harassment, contracts, labor laws, marketing and advertising, licensing, termination disputes and so on, you can easily see that securing a reputable law firm could be to your advantage. However, legal situations arise all the time within businesses. Because of this, it is vital to know when you should and should not secure the services of a law firm.

Today, you can find a number of do-it-yourself legal solutions online. For example, years ago, tax and payroll issues were often handled by outside or inside counsel. However, with the ability to download forms and follow specific instructions, many companies now choose to handle it on their own. Obviously, this option means a huge savings and quicker turnaround in most cases. However, any do-it-yourself legal action also comes with risk if not done properly.

As you can imagine, knowing when or if you should ever hire a lawyer to represent you can be a very fine line. Consider contracts as an example. If not written and executed properly, you could lose not only a significant amount of money, but also potentially the spa business you worked so hard to build. For this reason, many companies, small to large, will leave contract negotiations and implementation to that of legal counsel. Because contracts are so sensitive and even the smallest mistake in wording could be costly, seeking out the advice of an attorney is probably a wise choice.

For relatively simple contracts you can choose to create it yourself or use an already created template. However, if you choose this route, review the contract carefully, eliminating anything that would hold your company or anyone within the company liable. An example of potential liability is indemnity. In addition, the do-it-yourself contract should include and even request mutuality. To give you an idea of what this

means, if you were going to create a contract that protected the other party specific to limitation of liability, then you too should have this same protection.

It is also suggested that with any do-it-yourself legal contract you ensure there is some type of clause allowing you out of the contract if the second party does not live up to their end of the bargain. The key with any contract is to look closely for provisions in which fees would need to be paid by you for early termination or cancellation. The good news about handling contracts on your own is that a number of reputable online resources exist where you can download forms needed, and sometimes at no cost. These forms can then be modified specifically to the needs of your company.

The other side to this is that sometimes contracts can be quite lengthy and complex. For example, a simple employee contract for an administrative employee would likely be something you could implement with no problem. However, if you need a contract created for a joint venture or an employment contract that also protects intellectual property, there is a higher potential for error and risk if done without professional input. In this case, hiring a lawyer to prepare the contract, provide guidance, execute and then back it with legal support is wise.

What you need to do when considering contracts, employment, termination, worker's compensation or any potential legal issue for your company is to determine the potential risk and financial outcome if the right documentation is not in place. If the risk is minimal and there is a cap on the financial end, then using do-it-yourself legal forms makes sense. However, if the situation is complicated and has great risk attached, then consider the age-old wisdom of being a penny wise and a pound foolish. It is a wise decision to consider the price of an attorney as an excellent investment if failure to do so would result in a huge financial loss, or worse, the loss of your business if the risk were realized. ■

## ABOUT THE AUTHOR

Richard A. Hall is founder and president/CEO of LexTech, Inc., a legal information consulting company. In 1994, Hall invented linguistic modeling software that automatically reads, applies budget codes and analyzes legal bill content. He also served as California director and lecturer for a nationwide bar review. Hall continues to practice law and perform pro bono services for several Northern California judicial districts.

# Service: Revenue Stream in a Barren Economy

WHEN SPA SALES ARE IN THE TANK, YOUR SERVICE DEPARTMENT CAN BE THE BUOY ON WHICH YOUR BUSINESS FLOATS. BY ROBERT STUART



**ROBERT STUART** has been in the spa industry for over 20 years as a technician, store manager, factory rep, salesman and business owner. He currently owns Spring Spas and Home Recreation, Inc. in Colorado Springs, Colo. with his wife Tammy.

## POSSIBLE CHARGES\* ON A CALL:

- **Trip Charge** \$45-\$85
- **New Ozone** \$150-\$250
- **New Cover** \$350-\$450
- **Floating Cover** \$20
- **Filters** \$40-\$150
- **Misc. Chemicals** \$40
- **New Pressure Switch** \$40
- **New Pillows** \$100
- **Silver Cartridge** \$30-\$100
- **Cover Lifter** \$200-\$300
- **Safety Rail** \$150

\*Depending on Brand and Type

**LET'S FACE IT,** this economy isn't a cakewalk for any retail store, but it's especially tough on specialty retailers like us. Because of that, we need to create other streams of revenue to stay afloat until the tide turns. Most of us have that potential lurking right in our existing operation.

Recently, I took my puppy in to get spayed; the vet worked with the pound and the cost for the service was \$37. When I got the bill they added \$40 for IV, \$40 for a booster shot, \$15 for an Elizabethan collar and \$40 for heart and liver testing along with some other incidentals. My total was \$189 for a \$37 service, but I paid for the extras because they were the experts and recommended it.

This same scenario happens when you take your car to the mechanic. They charge a different fee for every service you need, and you do it because the expert recommended that service be performed.

If you've ever had surgery, look at the bill and see the additional add-ons, or look at your cable bill. I'm not remotely suggesting you gouge customers, but customers understand additional charges and expect them. So don't stop with the basic repair, you are there to save them from more expensive repairs later or even upgrade their lifestyle.

Spa service has long been an undersold and underpaid part of many retail stores. I've often had retailers tell me, "If we can operate our service department without a loss, we're thrilled."

That mentality will not get you through the tough times when spa sales are slow. You need to ramp up the revenues in all areas.

As an industry we often shoot ourselves in the foot, so to speak, by accepting what is going on rather than changing it. George Bernard Shaw once wrote:

*"People are always blaming their circumstances for what they are. I don't believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want,*

*and, if they can't find them, make them."*

It's time to get professional and start getting paid what we're worth, I've stated more than once that a technician is part plumber, electrician, electronics tech and even a lifestyle consultant. Therefore, their services should be paid similarly, if not more than any of those.

Consumers will pay a premium for professionals, but we need to sell them on that.

Independent, poorly trained techs are a dime a dozen and have flooded the market with cheap options for customers. However, your retail store offers much more; it tells the consumer you're grounded in the community and have equity there.

You might have to explain the cost of insurance, tech training, stocking parts and equipment to the customer. Help them understand the benefits of these products and services. Most customers will be willing to pay you even double what they would a guy working out of his garage.

Most techs prefer not to interact with the customer, even though it could potentially be worth a lot of revenue. Don't let them just fix the problem; teach them to up-sell services. Over half of the service calls I go on, the spa could use more maintenance, accessories or upgrades.

If the pressure switch is old and crusty, sell them a new one. Most ozonators need to be replaced or serviced after two years. Likewise, pump seals leak and covers need to be replaced. It's a fact, many customers still have their original filters and need to buy new ones. How often do you ask the customer to leave all their chemicals out so you can check the water and then sell them what they are out of?

Three of the last 10 spa sales in my store came from service calls on old spas that weren't worth fixing. We recommended a new spa and the customers came in and bought! It's the perfect scenario – a customer pays you to come out and you sell them on the better value of purchasing a new hot tub. ■

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Illustration: Michael Berrelleza

# Bad Egg Employees

**TIPS FOR DEALING WITH LESS-THAN-STELLAR EMPLOYEES AND HOW TO KEEP THEM FROM BRINGING DOWN YOUR ENTIRE BUSINESS. BY ALISON STANTON**

**IT'S SAFE TO SAY** that all business owners try to hire people who are easy to work with, smart, friendly and contribute positively to the overall environment of the company.

But sometimes, despite the best intentions, a person who comes across as all of these things during the interview turns into a difficult and negative employee once he or she is on the job.

From showing up late to being lazy and disrespectful, these "bad egg" employees can cause huge problems, from affecting the attitudes of your other workers to causing customers to shop elsewhere. And when times are tough, the last thing anyone needs is extra negativity.

So what is the best approach for dealing with these difficult employees? What can employers do to correct their workers in a fair and consistent way? Since firing someone is inherently the

last resort, what can managers do to avoid getting to that point?

Michael Huddleston, business development director at Pack Pools, Inc. in Georgetown, Texas, says one thing that has worked well for him is to remember that in the vast majority of cases, people really do want to succeed in their work.

If an employee is having difficulties, Huddleston starts by asking himself some questions.

"I look at the 'bad egg' and ask myself 'why?' Is it the training? One thing I've found in studies is that if people do not have the skills and tools necessary to do the job, and if they have not been trained properly, there can be problems."

Huddleston says it's also important to realize that when compared to highly-driven business owners, many employees will pale in comparison.

"The owner is probably a top five percent performer and

extremely driven. So even if he or she hires someone in the top ten percent that person will still be well below expectation levels."

Kent M. Blumberg, business and executive coach at Kent Blumberg Partners LLC, uses a series of seven steps with problem employees called the "Getting Back On Track" tool. He wrote about the topic on his blog, [KENTBLUMBERG.TYPERPAD.COM](http://KENTBLUMBERG.TYPERPAD.COM).

After clearly identifying the undesired behavior or performance, Blumberg writes that employers should state the impact of the issue on the employee's goals, the employer's goals, and the company's goals.

Next, ask the employee for his or her point of view, and paraphrase what you hear. Ask for ideas on how to fix the issue, avoid it in the future and what help the employee needs for this to occur.

Based on the conversation, Blumberg advises employers to summarize an action plan, modify it until both parties are comfortable with it, and set a follow-up date. Finish the talk by thanking the employee for working on the problem and express your confidence that things will get better.

For Huddleston, what has worked very well is using a process called "Management Trinity." He says this approach,

which involves meeting one-on-one with each of his employees for 30 minutes every week, has drastically improved the overall climate of the business. All of his employees, even those who have been challenging, feel like they are being listened to and are important.

"The first 10 minutes is for them to talk, then the second 10 is for you as the manager to speak, and then the last 10 minutes is for talking about the future," he says. "I do little or no prep with them. We just talk. But it does so many things. They come in and know they can have face time with me."

When an employee is being difficult, Huddleston says he likes to use a feedback model, telling the person, "when you do this, this is what happens, so what you could do differently is this."

"To me, you have to look at specific behaviors and incrementally improve them."

Huddleston says it's also important to keep a record of everything regarding any employee who is having issues at work, in case you ultimately have to let the person go.

"I document everything that I've tried with them," he says. "But if things don't get better, I have no problem getting rid of them, and getting rid of them quickly." ■

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# Understanding Your Bottom Line

BEING ABLE TO READ YOUR COMPANY'S FINANCIAL STATEMENTS CAN MEAN THE DIFFERENCE BETWEEN SINKING AND SWIMMING IN TODAY'S ECONOMY. BY AMY WILKINSON

**JUST AS CONSUMERS** use instruments like pH strips to monitor the health of their hot tub, business owners have their own set of tools to test the vitality of their business. They're called financial statements, and don't think you can simply rely on your accountant to monitor these important documents, says New York-based financial associate Paul Rhynard. "A CPA is going to make sure that things are in order, but they're not going to give you advice about, 'Oh, by the way, your cash flow is trending down over the last three months.' If you're not paying attention to what's going on, you're unable to make proper business decisions based on what your financial picture is," Rhynard warns. With a little explanation these basic documents, including the profit and loss statement, balance sheet and cash flow statement, are easy to read and can provide a wealth of knowledge about your operation. With that in mind, we've assembled a cheat sheet to help you put these powerful tools to work for you.

## PROFIT AND LOSS STATEMENT

Also known as the "income statement" the profit and loss statement reports sales and expenses generated over a specific period of time (usually a month, quarter or fiscal year). Three key figures to keep an eye on are total sales, gross margins and net profit after income taxes (also known as the "bottom line"). Total sales are at the top with gross margins following several lines below. Gross margins are your company's total sales less the cost of the goods sold. But what you really get to pocket at the end of the year is the net profit after income taxes, which is your company's gross margin less operating expenses like wages, electricity bills, and rent. Rhynard says now is the time to pay particularly close attention to these expenses. "In our current economy where revenues are probably flat or even declining you want to be careful about...finding ways to reduce expenses...or you're going to end up spending more money than you're making, and that's obviously not the direction you want to head."

## BALANCE SHEET

The balance sheet is the Polaroid picture of financial statements — it provides a snapshot of a company's position at a given moment, as opposed to the income and cash flow statements, which reveal a company's activities over a period of time. The equation behind the balance sheet is assets = liabilities + owners' equity and, as its name suggests, the two sides are always equal since liabilities and equity are the means used to purchase assets. The power of the balance sheet is that it gives you a clear picture of how your business is being financed.

A useful ratio from the balance sheet is the debt/equity ratio:

### = **Total liabilities/equity**

If the number is high, it's likely you're using too much debt (like bank loans) to finance your operations.

Another telltale equation is working capital:

### = **Current assets-current liabilities**

A positive number means your company can pay off its short-term debt, whereas a negative number means you don't have enough current assets to cover your current liabilities.

## CASH FLOW STATEMENT

Of the three statements, Rhynard says the cash flow statement is the most important. "We all know cash is king," he says. "It is probably the most key metric to the viability or health of the company." The main difference between this statement and the other two is that cash flow does not include credit transactions that will be paid or collected in the future. For instance, net income on the profit and loss statement includes cash and credit sales. Cash flow also doesn't incorporate depreciation of assets. The three types of cash flow are operating, financing, and investing. Operating cash flows pertain to your company's core business, thus are the most important to monitor and usually include accounts receivable, accounts payable, and inventory. Investing is usually the acquisition or sale of property or equipment, while financing incorporates bank loans. At the end of the day, you need cash coming in to pay off your debts and buy more product, so the higher your cash inflow, the better. ■



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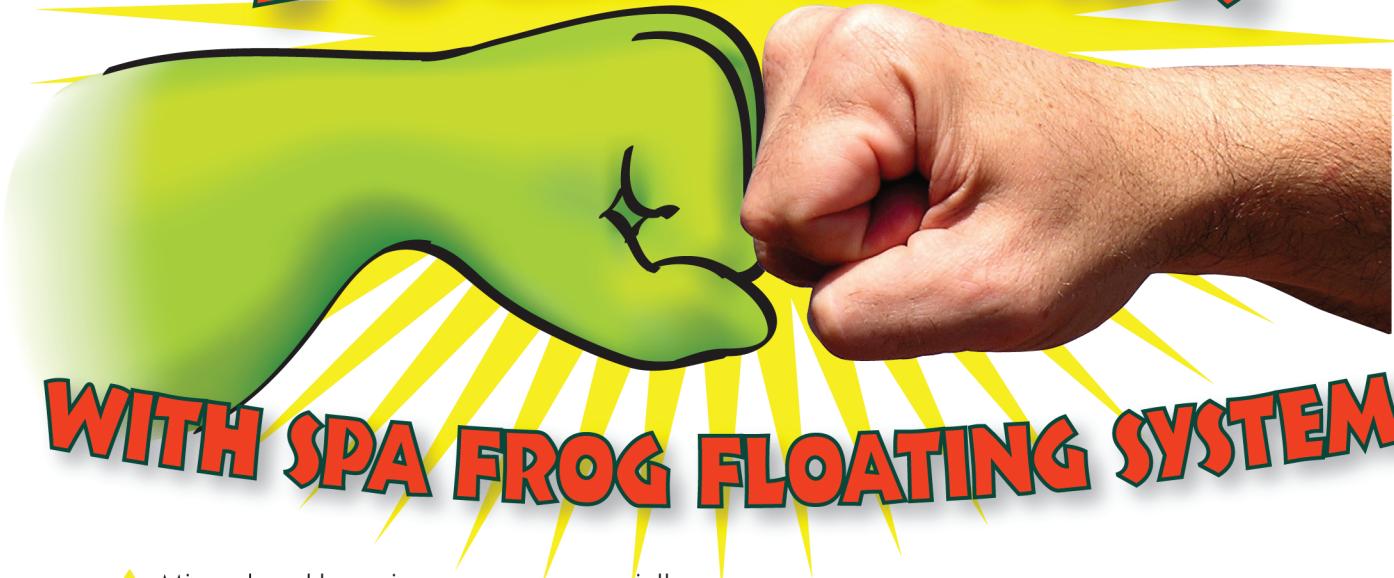


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# THE VIEW FROM INSIDE

These experts live and breathe hot tubs, who better to decipher the current state of the industry?

INTERVIEWS BY MEGAN MCCORMACK, ABRAHAM MAHSIE AND ROCHELLE BELSITO

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JOHN SCHRENK • WILLIAM SMELLEY • LAUREN STACK • BILL WEBER • TODD WHITNEY • EDDIE WOOD

## WHAT WOULD HAPPEN IF YOU PUT A LARGE GROUP OF INDUSTRY LEADERS,

from all segments of the hot tub industry into a room and asked them these questions: where are we headed, how did we get here, what comes next and how can we help each other? If the market was great and sales were phenomenal you would hear responses that resembled advertisements. Chests would puff out and a round of who can one-up the other guy would begin. But when sales are down, staffs are cut and the overall world economy is in a downturn, the attitude changes. People start to relinquish their

pride, put aside their competitiveness and start answering these questions openly and honestly.

We didn't have the opportunity to put everyone in a one-room proverbial think-tank, but we separately interviewed over 30 manufacturers, suppliers, chemical and aromatherapy makers, association leaders and hot tub retailers to see what they saw as the challenges for the hot tub industry and what could be done about them. Some were candid, while others remained guarded, but across all segments several phrases and issues were repeated.

# ECONOMY

## THE POOR ECONOMY HAS BATTERED ALL INDUSTRIES AND HOT TUBS ARE NO EXCEPTION, BUT HAS IT BATTERED MINDS MORE THAN BOTTOM LINES?

**UNEMPLOYMENT, FORECLOSURES, AIG...**the 10 o'clock news has kept us well updated on the state of the U.S. and now, world economic problems. But what has been the real impact of the economy on the hot tub industry? Quite possibly, the greatest harm it has done is create fear and apprehension.

"The uncertainty of the economy and how long it will continue to drop until it flattens out is a big question mark. Losing the financial support from companies and the three-year trend of the market decreasing in size creates a lot of uncertainty and then it creates a lot of anxiety," says David Ludlow, founder and president of Bullfrog Spas.

That anxiety translates into both businesses and consumers hanging onto their cash, which slows the economy to a snails pace.

"There's a fear going around and there is not a lot of support for folks out there who are struggling," says Michael Coleman, director of sales at Clearwater Spas. "That trickles down to employers and businesses. People are just being tighter with their money. They need to see a good value in something before they're going to make purchases."

But the hot tub industry saw a dramatic drop in sales before the economic tide turned, and now the failing economy has had a paralyzing effect on the industry. Many of these things are out of our hands, but fortunately the economy is cyclical and it will turn around, it's just a matter of when. And while these corrections are painful, they are sometimes necessary.

"It's unfortunate for us right now, but overall it will be a better thing for the world," says James Keirstead, co-owner and vice president of finance at Arctic Spas. "You cannot live on borrowed money forever."

Some retailers are already starting to see a slight turnaround and more customers walking through their doors.

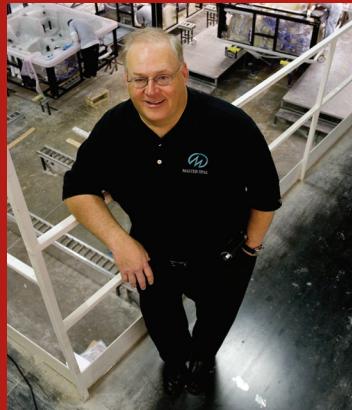
"Mostly consumers are afraid [to spend]. There's a pent up demand, people who want a hot tub really bad, but they're seeing their 401k's dwindle and they're afraid to spend that much money right now," says retailer Don Adams, owner of Clearwater Spas Inc. in Newcastle, Del. "Traffic has been slow, but recently I see people that are doing little projects or planning home improvement, they're the ones who are buying hot tubs."

In fact, some retailers are reporting that while their store traffic is significantly low, their closing percentage has risen. The customers that do come in are serious buyers. It's the retailers and businesses that tactically look at those positive statistics that have a better chance of survival, according to Eric Richardson, CEO of Growth Development Associates a consulting group that has been working with the APSP and the Hot Tub Council.

"What we have to do is make it our business to participate with the part of the economy that is still functioning and not be intimidated or scared off of our offense from the small part of the economy that is hurting," Richardson says.

## SO WHAT CAN A RETAILER DO WHEN FACED WITH A POOR ECONOMY?

"It's tough, but I'll say this, if they bury their head in the sand, the dump truck will come and bury the rest of their body. The retailers who are going to survive are the ones that are going to go out and do events and get after it. You have to be smarter about how you're spending your money. A lot of retailers don't know exactly what is working, they're throwing the money at marketing and advertising and they're not tracking results."



Bob Lauter, CEO, Master Spas

"I give the same advice to retailers that I would to an executive of any company during these times. In challenging economic times you've got to stay focused and get control of your spending. Step back and evaluate what you can do differently to generate new business. Test and measure things, try different things, but make sure you're measuring them closely; don't throw money at activities just because they're new."



Michael Moore, Vice President of Marketing, Advantis Technologies

We, as buyers of products and services, get put down every once in a while in these recessions, but the basic nature of our population is not going to change and it will come back. And we have to be conveying the message and getting in front of consumers so that when they do start buying they are considering our products.

– John Schrenk, President and CEO, Marquis Spas



“I believe the biggest thing facing the industry right now, and manufacturers in particular, is the overall industry contraction. There is just a lack of consumer demand and that is translating to significantly decreased volume for the industry as a whole. I think that everybody is suffering as a collective industry under the weight of a pretty serious contraction in the industry.”

– Mike Dunn, Vice President of Marketing, Watkins Manufacturing

## “A BIG FACTOR IS THE ECONOMY ITSELF, BUT OUR PRODUCTS CONTINUE TO HIT THOSE CONSUMER HOT BUTTONS.”

– David Nibler, Vice President of Marketing, Zodiac

*“The biggest problem facing us as a supplier is probably managing our cost, because there’s nothing I’m going to be able to do to sell more hot tubs. So, the biggest challenge we’re facing is to position ourselves to withstand this economic recession and come out a stronger company once the economy starts rebounding. I do hope that with this downturn that the retailers, manufacturers and the other suppliers are doing the same thing that we are right now because this industry is going to be stronger for that.”*

– Todd Whitney, Global Acrylics Market Manager, Aristech Acrylics



“If the housing market stabilizes and the overwhelming amount of fear decreases, purchases will stabilize. Since our industry is so related to the home it has a direct impact, so if the housing market starts to create some activity it will start giving confidence. Everybody will spend less time being afraid and more time living.”

– Jerry Greer, Owner, HOTTUBWORKS.COM

“Remember to sell value – reduce the knee-jerk reaction on cutting features and benefits to meet a price point. That doesn’t mean you don’t have to be price competitive or priced right, but don’t sacrifice value for price.”

– Scott Bittner, Vice President of Sales, King Technology

**“The value of a dollar needs to be stretched and used wisely. So, it is important that we are knowledgeable about what our customers’ needs and concerns are.”**

– Angie Pettro, President, Spazazz



# FINANCING

THE BAIL-OUT MONEY HAS GONE WHO-KNOWS-WHERE AND BANKS STILL AREN'T LENDING, LEAVING BUSINESSES TO TRY AND FIND CREATIVE WAYS TO STAY AFLOAT.

**IT WOULD BE IRRESPONSIBLE** to talk about the economy without covering the consequences it has caused in financing. As more and more homeowners defaulted on their mortgages, people restlessly watched as banking institutions crawled to the government for money to keep their doors open and the free market afloat. The full ramifications of these failures may not yet be felt. But for this industry, the sudden lack of credit and exit of financing companies from the industry has left dealers and manufacturers wondering who will provide the funding for floor and consumer financing.

"The biggest challenge is getting the retail customer into the dealer showroom and getting them financed once they get in there," says Bob Lauter, CEO of Master Spas. "Financing has become a huge issue. So many people that normally would have been approved are getting turned down."

With customers who are worried about losing their income, who have lost money in the stock market and have seen their retirement funds shrink, it's become harder and harder to get people to part with their money. The inability to get them financed when they do decide to buy has become a deadly combination for retailers.

"The traditional sources of buying hot tubs have dried up," says Mike Dunn, vice president of marketing at Watkins

Manufacturing. "People have bought hot tubs over the years with excess monies that they got from refinancing their home, that's all but dried up. People buy hot tubs with bonuses. Well, corporate earnings aren't there, so people aren't earning bonuses. The availability of retailer credit for people to get financing is really tight right now and those who are getting it have to have squeaky-clean credit."

But what many aren't willing to go on the record about, yet are all keenly aware of, is floor financing for retailers has dried up as well. Companies are accustomed to an influx of millions of dollars from early buys at the beginning of the year. With retailers unable to get financed for their inventory needs, OEMs are suddenly finding themselves with a cash-flow problem and retailers are looking for other ways to fulfill their customers needs.

"From a retailers' standpoint they need to deal more in just-in-time inventory," says Marc Black, president of Cover Valet. "They can't afford to keep huge inventories other than what they have on display as their showroom. That is where the vendors, suppliers and distributors need to make adjustments on their side to help the retailer because if they can help – whatever they can do to make the retailer sell – everything else will come together."

## AWARENESS

A RECENT STUDY DONE BY THE APSP FOUND THAT 6.3 MILLION HOUSEHOLDS WOULD BE VERY LIKELY TO BUY A HOT TUB IF THEY WERE APPROACHED. CONSIDERING THE DRASIC DROP IN SALES, THAT MANY PEOPLE SEEMS UNFATHOMABLE. BUT THEY SAID THEY WOULD BE LIKELY TO BUY IF THEY WERE APPROACHED. AND THEREIN LIES THE DILEMMA.

"Unlike Starbucks, there's not a hot tub dealer on every corner. Currently and long term, the big thing is letting people know the product exists. If you have a few extra thousand dollars a hot tub doesn't come to mind, a big screen TV does."

– *William Smalley, Senior Director of Marketing, Jacuzzi*

"Product awareness is something that we are always faced with. It's an industry where

people don't know brand names. If I listed car companies on a piece of paper, you know they're all car manufacturers and can rank them pretty accurately. If I did the same with hot tub manufacturers, what would that list look like?"

– *Eddie Wood, Vice President, Leisure Concepts*

"We as an industry have failed to educate consumers about the benefits of our products

and we've seen a drop off in consumer interest. I think we are still considered a luxury item as opposed to a necessity."

– *John Schrenk, President and CEO, Marquis Spas*

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"We've got to let the public know of all the benefits of the spa. Rather than buying something that is going to be considered an appliance around the house, what you're getting is that 'stay-cation.'

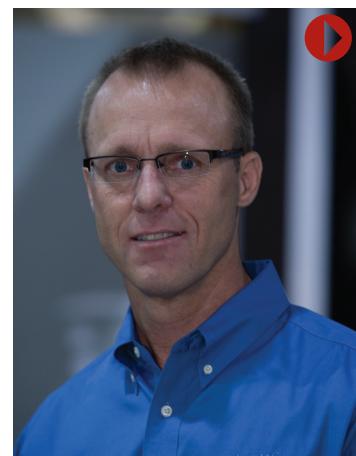
Right now, a lot of people think a hot tub is going to be too expensive to run, that it's going to cost too much to maintain, I could never afford such a thing. Then after they buy one they say, 'I don't know how I lived without this.'"

– *Bill Boliver, Manager, Vita Spa Factory Outlet*

## WHAT ARE SOME OTHER ISSUES FACING OUR INDUSTRY?

"I think years ago we were ignorant when it came to how the world would be affected by chemicals. Now we are more aware of what's going on. The population is growing and we're trying to tell people to 'go green' and to be environmentally friendly – and those are some of the challenges we have to face."

– Lorette Kalendar, CEO, PharmaSpa International



"Education continues to be an issue within our industry. It is important that we help frontline sales people convert from selling features to selling value. There is a growing body of evidence that hot tubs deliver health benefits to some of the most critical health issues of our time. And, still, there are very few retailers and frontline people out there that are aware of that information and know how to use it when talking with customers and prospective customers."

– Dr. Tom Lachocki, CEO, NSPF



*"The biggest challenge in my business today is taking the success formula of yesterday that isn't working today and finding a way to motivate the folks that worked for a very successful yesterday, to change and alter and involve them so they can achieve those same successes tomorrow. What worked two years ago doesn't work today. It doesn't take as much to make it work today, but you can't do the same thing expecting the same result and that's the biggest challenge."*

– Sue Rogers, President, Oregon HotSpring Spas

If you don't have enough margin built into your pricing to provide good service and good warranty coverage and all that, you're really doing a disservice to the industry, the dealers and the consumers who buy those spas. They don't get the coverage that they deserve or need or that they're accustomed to when they buy an automobile or something else. It creates a sour taste in their mouth when it comes to the spa industry.

– David Ludlow, Founder and President, Bullfrog Spas

**"Getting the consumer in the door. We don't have to close too many of the 6.3 million that said they would be very likely to buy a hot tub, to be making radical improvement in the sales of hot tubs."**

– Chris Robinson, Sheet Business Manager, Lucite International, Inc.

"The Internet has taken away some of the sales of parts, chemicals and some hot tubs as well. We're trying to do a better job on our website, adding a shopping cart to it so we can do all that same stuff. We're competing with the Internet on price, it's constantly price. I've found in my 18 years we sell parts cheaper today than we did 10 years ago because we're forced to."

– Craig Fuller, Owner, The Hot Tub Company, Inc.

**"ONE OF OUR BIGGEST CHALLENGES IS MAKING SURE POTENTIAL AND EXISTING SPA OWNERS KNOW THAT SPA CARE IS NOT DIFFICULT OR ONEROUS. IT SHOULDN'T BE VIEWED THAT WAY AND IF IT IS, THEY NEED TO SEE THEIR SPA CARE DEALER TO MAKE SURE THAT THEY UNDERSTAND THAT."**

– Scott Newton, Director of Marketing, BioGuard

# INDUSTRY PRACTICES

WHAT DO USED CARS AND HOT TUBS HAVE IN COMMON? EVERYONE HOPES THAT COMPARISON WILL SOON GO THE WAY OF THE DINOSAUR.

**COMPARED TO OTHER INDUSTRIES,** the hot tub industry is a relative baby. With a mere three to four decades under our belt, there is room to develop and mature. And there certainly have been some growing pains. Poor practices by some manufacturers and retailers have left consumers with hot tubs they aren't pleased with and businesses they will refuse to do business with again. While you are probably not one of those companies, their failures have become your problem as you deal with the reputation they have given the entire industry.

"We have a product that does meet needs physically, emotionally and socially. It's a great product for the times, if it's sold correctly," says Lauren Stack, director of public affairs and industry promotion for the APSP. "These truck-load sales and pulling into a market where you don't have a retailer base and all those kind of used car salesman tactics aren't what's going to generate long term viability for this industry."

It has been a combination of manufacturers who don't make a quality product and then don't provide support for the product they do make and retailers who use questionable sales tactics that has culminated into the attitude that we're seeing now.

"I think, as many people in this industry recognize, the threshold for getting into this business is kind of low," says Jim Johnston, vice president of sales and marketing for Marquis Spas. "You don't have to have a great deal of technological sophistication in order to make these products."

In order to counteract this and raise the threshold for doing business in the hot tub industry, it has been suggested that an industry endorsement, such as *Spasearch*'s independent Certified endorsements, should be taken advantage of on a wider scale. Consumers will be able to easily recognize companies that have met a standard of industry criteria and hopefully will have a positive experience that warrants telling their friends about.

But until something like this is started, individuals must take it upon themselves to create a satisfying consumer experience. And a lot of that responsibility falls on the retailers.

"We always use the old one-out phrase that it's like the used car industry. You have a lot of dealers and salespeople who don't know how to sell a quality product, so they bad-mouth," Ludlow says. "They just try to prove that the other spa companies are bad so that the customer will buy their product. But if everyone is doing that we are branding spas as bad in general."

## TIME TO COME TOGETHER

THE HOT TUB INDUSTRY IS NOTORIOUSLY KNOWN FOR BEING TIGHT-LIPPED, AND NOT IN A GOOD WAY. BUT WITH THE CURRENT CHALLENGES THAT THE INDUSTRY IS FACING, MANY ARE PUTTING THEIR DIFFERENCES ASIDE, SHARING INFORMATION AND WORKING FOR THE COLLECTIVE GOOD OF THE INDUSTRY.

"We're starting to see, in an industry where we don't really share information, more information gathering. More education and, in my opinion, a defining of the industry. I think the footwork to an education will change our industry."

— Michael Coleman, Director of Sales, Clearwater Spas

"You cannot edit your own work, you need a second pair of eyes. In any company and any industry, your strength becomes your weakness."

Eventually your history becomes so imbedded in your mind that you think it is fact when, in truth, all it is, is history. When you invite an experienced person from outside the industry to take a look at what they're doing they will ask dumb questions that no one in the industry would ever ask."

— Eric Richardson, CEO, GDA

"All of the things the industry has identified as the impediments of getting the industry from here to there

are all surmountable. I think there's the power of collective action, I think there's the power of collective promotion. The rising tide floats all boats."

— Bill Weber, CEO, APSP

"I'm not interested in keeping secrets, I'm not interested in being number one or the being best right now. I am interested in getting to the other side fiscally healthy and in one piece. And I'd like those vendors who have been good to me to be there with me. If we're going to do

this a long time together the only way is if we do it together. [Manufacturers and suppliers] aren't going to know we need help if we don't tell them. We need to be better at giving back, our partners and manufacturers need stuff from us and if we're able to give it to them we have to step up and give it to them."

— Sue Rogers, President, Oregon HotSpring Spas

**"I've heard many say a shake out [of manufacturers] is going to be a good thing, and clearly that's true. You have less competitors and it's better for the survivors. But this isn't the kind of industry where, when you shake it they go away and stay away because getting back in is so easy. They scatter away from the light and when the light comes on again, they all reassemble. It won't take long for a comparable number to try and come back again, unless the industry starts to take on some different practices and gets more professional in how it goes about it."**

— Jim Johnston, Vice President of Sales and Marketing, Marquis Spas



**"THERE ARE STILL A NUMBER OF INCIDENTS WHERE SERVICE PROVIDED FOR HOT TUBS IS NOT UP TO PAR. OVERALL IN THE INDUSTRY THERE ARE CUSTOMERS NOT SATISFIED FROM THE SERVICE THAT THEY RECEIVE. NEVER FORGET THAT REPEAT CUSTOMERS AND REFERRALS ARE THE LEAST EXPENSIVE WAY TO MAINTAIN AND GROW OUR BUSINESS."**

— Dr. Tom Lachocki, CEO, NSPF

"We have probably not told our story as to what a hot tub means to people in their day-to-day life. We probably haven't done enough in the way of honest testimonials and in truth, there are some issues with regard to the servicing of these tubs and there are still a fair amount of orphan tubs out there. And if companies don't survive there will be more and that's a challenge, people want reliable product and if they have a problem they want it serviced. We're not as adept yet at telling the story that we need and professionalism is a key part of it. A lot of these roadside, tent sales, that kind of thing hurts the image of the industry. You don't create a different environment overnight, but that's clearly identified as a need."

— Bill Weber, CEO, APSP



"We as an industry have been far too fragmented and, as a consequence, we have failed to deliver our product promises that many have claimed, which has lead consumers to become disillusioned with spas and the spa industry. What we're feeling right now, today, is mostly global economy problems; what we've been experiencing since 2005 has been this general consumer disillusion that our industry is not managing itself well."

— James Keirstead, Co-owner and Vice President of Finance, Arctic Spas



**"Quit smearing the other guy, it turns everybody off. We have to embrace our industry first and then the product second. Our industry as a whole has to be credible and reputable. The consumer has to feel good that they're buying our products before they can feel good about who they bought them from."**

— Casey Loyd, President, Cal Spas



# ADVICE

## HELPING THE RETAILER

EVERYONE'S SUCCESS IS DEPENDENT UPON THE RETAILER SELLING HOT TUBS, SO WHAT DO THEY NEED?

**"Prices have dropped tremendously over the past six months. I don't see that correlating in the middle of the pipeline, meaning prices for the parts going into spas. So it leaves some question in my mind where the profit margin has gone."**

— Bill Meyer, President, Lifespas of Texas

**"I'd really love to see OEMs expand their mid-line spas as opposed to continuing to improve the high-end. I'd love to see us expand that mid-price spa and really look for value in this market."**

— Joan Langer, Owner, Crystal River Spas

**"One of my suppliers is pulling together the inventory of dealers across the U.S. that carry that line. If someone needs a spa they don't have in the factory or near them, they'll call me for the model they're looking for. The networking they're doing with their dealers is really good."**

— Craig Fuller, Owner, THE HOT TUB COMPANY Inc.

**"In these difficult times it is more important than ever to focus on value, making sure there are value added products and awareness. Typically, when things get bad or difficult, dealers and manufacturers tend to fall to competing on price. They start pulling the value out and in the end game everybody loses including consumers."**

— Scott Bittner, Vice President of Sales, King Technology

**"The old school of thought was when it is lean, advertise more. Not any more. Be visible to an extent, lean on your brand position in the industry and put your efforts into being all things to all people for your customers. Partner with them. Relax on minimums, pass on discounts with special programs and give them your best in customer service."**

— Brian Guy, Vice President, InSPAration



### Jim Johnston

Vice President of Sales and Marketing

#### Marquis Spas

"Off-site events away from the store itself are of increasing importance. I know it's a double-edged sword. There's a lot of skepticism in home shows and some of these bigger organized shows, and yet the ability for someone to see you is a challenge now because the category is not front of mind."

### Richard Rayner

President

#### Rayner Covering Systems

"Concentrate on service, definitely a major item, and find out what the customer wants and that is what you offer them. Don't try gambling a lot this year. I don't think it's a year for gambling on products."



### Mitch Brooks

Executive Director

#### IHTA

"It's not advantageous to spend a lot of dollars on advertising; it's like throwing money down a pit. As far as marketing plans retailers are using, utilize the best resources possible to sell the benefits of hot water therapy. Try to be creative and think outside of the box. There's a lot of different things that can be done as far as leave-behind brochures in doctors offices."



### Lorette Kalendar

CEO

#### PharmaSpa International

"To all retailers, find the right people to work for you. If you find the right competitive, competent sales people, that's going to make the difference."



**Lauren Stack**  
Director of Public Affairs and  
Industry Promotion

**APSP**

"For those that have been in business for a long time and that have a vast customer base, now is the time to go out and touch those customers in a personal way. Use them as a means to get word of mouth sales, referrals; just increasing your service to them to make them feel better about the category and their experience with you as a retailer."



**Sue Rogers**  
President

**Oregon HotSpring Spas**

"From a competitive standpoint we're taking a look at the trends within our customers and why someone buys or doesn't buy. We're trying to shed our 'spa snobbiness' where we think we know everything. When we stop and look at our clientele we learn a lot. If we stop talking long enough to listen, they'll tell us where to go and how to do it. We're too quick to say 'That will never work...etc.' If you get three people that are telling you they'd like X, you better take a good look at X."



**Eddie Wood**  
Vice President

**Leisure Concepts**

"Take a step back and look at your showroom. What is the presentation that the consumer is experiencing? If your store looks worse than your competition you'll have a hard time convincing customers that your spa is a higher quality. It just doesn't translate."

**Scott Newton**

Director of Marketing

**BioGuard**

"Educate your staff. Educate your staff. Educate your staff. Continually improving the knowledge of your staff is extremely important. Contacting your existing customer base now is extremely important. Measure your results if you're advertising or going to shows, measure your results against the amount that you're spending. Think of new ways of doing things if those aren't paying off, or invest heavily in those things."

**Todd Whitney**

Global Acrylics

Market Manager

**Aristech Acrylics**

"Continue to promote the product where you can. One of the biggest things is we don't get the awareness. We don't get the promotion, we don't get the category out there in front of the customers mind."



**Marshall Roper**

Owner

**Waterline Spas**

"There is not as much demand for spas and you need to figure out other ways to supplement the income you've lost from the amount of consumers that can't afford a hot tub or are salting their money away for better times. Trying to attract people that like Internet pricing but don't like not knowing who they're buying from, how they're going to get service, want a higher level of comfort making the purchase, but they like the Internet pricing. Our marketing strategy now is the Internet prices."



**Marc Black**

President

**Cover Valet**

"Retailers have to stay strong and run lean. Try and create some relationships where it becomes people helping people and the customers will eventually come back."

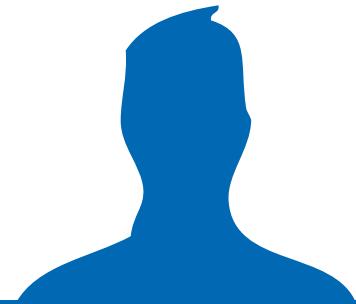
WE DELIVER SPAS  
SEVEN DAYS  
A WEEK.  
WANT A FREE  
TICKET TO FLORIDA  
TO SEE HOW  
WE DO IT?



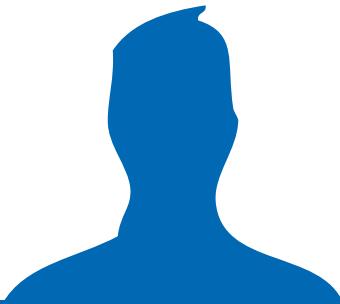
You should see how our spa line can boost your bottom line. That's why we're offering to pay for your airfare to visit our 600,000-square-foot manufacturing facility located just outside Orlando, Florida, where we produce 30,000 spas annually. To learn more call Leisure Bay Spas at 888-524-9475. You'll see, how after 30 years of manufacturing spas, we're still building the most innovative - and profitable - spas on the market. [www.spasbyleisurebay.com](http://www.spasbyleisurebay.com)



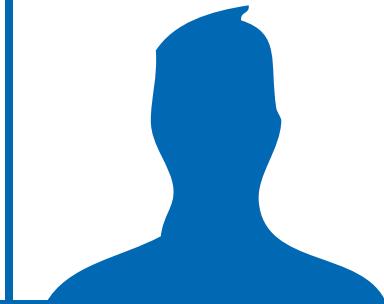
MYTH 1: SOCIAL SITES ARE JUST FOR TEENAGERS



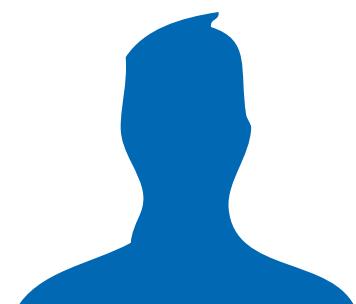
MYTH 2: SOCIAL MEDIA IS JUST A FAD



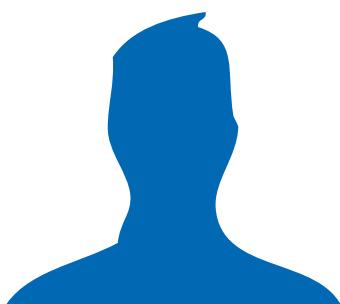
MYTH 3: SOCIAL STRATEGIES ARE JUST FOR BIG COMPANIES



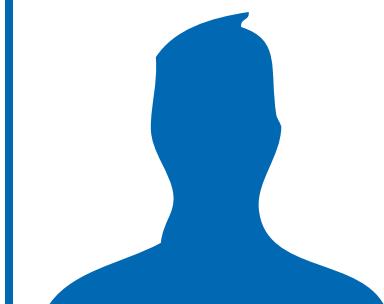
MYTH 4: SOCIAL MEDIA MARKETING WILL COST LOADS OF MONEY TO IMPLEMENT



MYTH 5: SOCIAL MEDIA MARKETING IS PRIMARILY USED FOR FINDING FRIENDS AND SHARING VIDEOS AND PHOTOS



MYTH 6: YOU HAVE TO BE A MARKETING WHIZ OR COMPUTER GEEK TO EFFECTIVELY USE SOCIAL MEDIA



# Six Myths of *Social Media Marketing*

IT'S TIME TO PUT ASIDE YOUR PRECONCEIVED NOTIONS  
ABOUT SOCIAL MEDIA AND BEGIN TO UTILIZE THIS  
LOW-COST, HIGH-IMPACT FORM OF MARKETING.

BY DAVID CARLETON

# Ever get an e-mail from a friend or colleague asking you to join *LinkedIn*, but didn't know what it was or why they were asking you to join? Did you know that *Facebook* and *MySpace* are more than just websites that high school and college kids spend their time on? Have you ever heard of *Twitter* and *Squidoo*?

## ABOUT DAVID CARLETON

As President of *Street Smart Sales and Marketing*, David Carleton helps companies increase sales by spending less and getting more from their marketing and advertising and is the creator of the *Increase Sales With Social Media* event. To learn more go to [INCREASESALESWITHSOCIALMEDIA.COM](http://INCREASESALESWITHSOCIALMEDIA.COM) or connect with him at:

### LINKEDIN:

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### FACEBOOK:

[fblink.com/DavidCarleton](http://fblink.com/DavidCarleton)

If these words or websites are not in your current marketing vocabulary, then you and your company are missing out on one of the most important Internet phenomena since e-mail.

Social media marketing is a method of promoting your brand, product, service or company by making your presence known through a variety of social media networks. It is much more viral than traditional forms of marketing because users now become content producers by posting blogs, writing articles, leaving short comments and messages. This relatively new marketing allows you to enter the minds of your consumers and prospects and have a real conversation and/or tell them a story about your company, products or services.

Marketing is no longer a one-way conversation. Consumers are talking back in record numbers and giving their opinions on everything from politics to music, to what they buy and who they buy it from. Now, almost anyone can produce and publish articles, pictures and videos and send them out to a global audience within a matter of seconds with the push of a button and for zero cost!

The bottom line is that consumers trust referrals from friends more than they trust advertising. In this case, friends are those they've met and built a relationship with within their specific community or network. And even if they've never met, a bond and level of trust has been established over time with multiple interactions and online conversations.

Social media websites are changing where consumers are getting their information before, during and after they buy products and services. According to a 2008 Harris Interactive Poll, 54 percent of Americans do not trust the media. In a different study conducted by Nielsen, 78 percent of survey respondents said they trusted, either completely or somewhat, the recommendations of other consumers.

There are now more ways than ever to build your brand, reach out and "touch" customers and prospects, drive traffic to your business and, of course, increase sales.

The problem? Many companies have preconceived notions about social networking that is preventing them from taking advantage of what could make a huge difference to their bottom line. It's time to demystify social media marketing.



## SOCIAL MEDIA MYTH 1: *Social Sites Are Just For Teenagers*

Nothing could be further from the truth. While there are some sites like MySpace and others that originally were created to cater exclusively to teenagers, many of them are now attracting older participants.

And although there are literally thousands of social sites out there today, once you determine the goals and objectives of your social media efforts, you'll be able to narrow down the list to a select few that might cater to your target market.



## SOCIAL MEDIA MYTH 2: *Social Media is Just a Fad*

When the Internet first arrived on the scene, it was all about providing information and selling "stuff." And while that is still a large part, Web 2.0 is all about users interacting with each other and consumer generated content.

When six out the top 10 websites in the world are social sites and they are getting one billion visitors a month and growing, I guarantee this is not a fad. This is Web 2.0, the future! And the best part is you have the opportunity to learn about it and get involved in it while it is still relatively new.



## SOCIAL MEDIA MYTH 3: *Social Strategies Are Just for Big Companies*

The Internet is the great equalizer. You are what your customers and prospects see, hear and read online. If you make great products or provide great services and you can reach the right audience through a compelling social media strategy, then your company will benefit from more exposure, higher brand awareness and, of course, increased sales.

My advice is not to worry about what the big boys are doing; do what you need to do to grow your business and believe me, you need to be doing social media marketing. Social media is a great "guerrilla marketing" tool that you can take advantage of and start reaping the benefits from very quickly.



## SOCIAL MEDIA MYTH 4: *Social Media Marketing will Cost Loads of Money to Implement*

The good news is that creating and implementing a social media marketing plan does not have to cost a lot of money. As a matter of fact, most social media websites cost nothing to join.

Now don't get me wrong, as with anything, you'll certainly have to devote an adequate amount of time and resources to be effective, but in actual hard dollars and cents, your investment can be quite minimal.



## SOCIAL MEDIA MYTH 5: *Social Media Marketing is Primarily Used for Finding Friends and Sharing Videos and Photos*

While YouTube, Flickr, Facebook and other similar sites are indeed used to find friends and share experiences, photos and videos, many savvy marketers also are finding that they can connect with groups, users, fans and enthusiasts.

How? By providing free information that members might find useful or enhance their experiences. These types of sites should not be overlooked as a way to open two-way dialogs with your target market.



## SOCIAL MEDIA MYTH 6: *You Have to be a Marketing Whiz or Computer Geek to Effectively Use Social Media*

Once again, not true. If you can surf the Internet, buy a book on AMAZON.COM and read blogs, you have the skills needed to benefit from social media. Frankly, the most important thing you need to help your company get involved in social media marketing is the desire to learn and the time to implement some very basic ideas and strategies.

Now, are there more advanced features on some of these sites? Sure, but even those can be applied by just asking current users or reading instructions that many of the sites themselves provide. I'm telling you, this is not rocket science!

The bottom line? It's time to develop and implement your own social media marketing plan before your competitors do. ■

**"I read it cover to cover  
and then we discuss the  
ideas and how we  
can implement them."**

- Sue Rogers  
Oregon HotSpring Spas

**SpaRetailer**  
INSIDE THE HOT TUB INDUSTRY

**SPARETAILER.COM**

This quote was taken from a series of responses for Why I Read SpaRetailer.

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# INVENTORY MANAGEMENT CREATES SUCCESS

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CUSTOMERS  
WITH THE  
PRODUCTS  
THEY DESIRE.

BY ELIZABETH RYAN

---



Gone are the days of record sales, easy financing and showrooms filled with an abundance of tubs. But with consumer demand stalled and financing options drying up, the spa industry is transforming itself into a leaner, more efficient business. So also gone is the anxiety of guessing at inventory orders, accepting shipments you weren't sure you could sell, and tying up large amounts of cash in financed inventory. // Across the country, spa retailers are adapting to the times by maximizing the impact of floor models they display, consolidating delivery trips and most importantly, changing the way they buy inventory. By working with a just-in-time model from manufacturers and distributors, independent retailers are gaining more control over their cash flow, becoming more responsive to consumer demand and holding their own in today's market. >

## CHANGE OR BE CHANGED //

The traditional supply-driven model, which many manufacturers and distributors have recently begun steering away from, required a lot of cash or good lines of credit, both of which are harder to come by in today's economy, according to Rich Ruzza, sales and marketing manager of spas and grills for Covington, La.-based Poolcorp.

"If you order a truckload of spas from a vendor, you're going to spend \$50-\$80,000 to bring those spas in," Ruzza says. "For some dealers that's a lot of money to tie up. You're going to have to borrow that money and borrowing money from the floor planning programs that are out there is getting harder and harder to do."

Even before the market took a downturn, Jerry Mako, spa sales manager for Todd Harris Company, Inc. in Edison, N.J., says he stopped doing business with companies that would keep them as a dealer unless they bought a certain number of hot tubs per shipment. Mako responded, "Well, goodbye, I don't need you because I don't want to buy six tubs right now; I might not have the room for six tubs right now; I might not even have the money for six tubs right now. And besides, there's other manufacturers who would love to have my business, even if I bought three tubs from them right now."

Marc Black, who owns California Home Spas in Long Beach, Calif., says he too, started re-thinking his inventory levels as far back as September 2007.

"The previous model carried a huge inventory – and we always sold that inventory – but it carried a huge inventory number, which was basically where all the cash was tied up. Now we're more cash-driven than inventory-driven. In this day and age, I think I'd rather have cash in the bank than inventory in the warehouse."

Black says his other business, Cover Valet, a spa accessories manufacturer, also has benefited from the

changes he has made on the retail side. Because he understands what retailers today are going through, he is keeping more inventory on hand for the retailers who might want to pull product from him in a just-in-time fashion.

"They [manufacturers] have to be able to adapt to what's happening," he says. "I know what it's like to sit in a retail store. I know what it feels like to go a day or two and never talk to a customer."

## ORDER AS YOU GO //

Moving away from the traditional model means that retailers are looking for new ways to manage floor inventory. Many dealers assume distribution is the only option to get quick delivery. In fact, many spa manufacturers from coast to coast offer JIT shipping and delivery programs for retailers to meet the needs of their customers and cash flow while still maintaining a direct relationship with a factory.

"The industry works more toward, 'Here are the products I have, which one do you want?' rather than 'What do you want, let me make it for you,'" says Tim Martin, vice president of sales for PDC Spas.

"If I have a retailer who calls me on a Monday and says, 'I really need this one, what's the fastest you can get it out?' It's conceivable they could be taking that spa on Friday," Martin says.

Convenience was an important factor for Madeleine and Gus Lockwood, owners of Country Club Pools and Spas in East Hampton, N.Y., who say a quick turnaround time has helped them better cater to their customers and maintain their relationship with the factory.

"There are some manufacturers where you have to wait four, six or eight weeks for a spa and a customer's not going to be very happy with that," Madeleine Lockwood says. "I don't have to keep stock in here and

**"NOW WE'RE MORE CASH-DRIVEN THAN INVENTORY-DRIVEN. IN THIS DAY AND AGE, I THINK I'D RATHER HAVE CASH IN THE BANK THAN INVENTORY IN THE WAREHOUSE."**

- MARC BLACK, OWNER, CALIFORNIA HOME SPAS

it enables me to have the spa made specifically for my customer with everything that they want and nothing that they don't want."

As credit markets have tightened up, James Hedgecock, director of marketing for Dimension One Spas in Vista, Calif., says more retailers are discovering the benefits of working with a company that offers a JIT system.

“What we have seen over the last year is a severe shrinkage of inventory at the dealer level,” Hedgecock says. “This is a smart strategy for the smaller retailer in terms of managing cash. We’re helping our dealers keep their inventories low by allowing them to order as little as one spa at a time. And they can wait until that sale walks in the door and puts a deposit down. Our goal is to help our dealers survive this downturn and be stronger when the market comes back.”

However, with dealers placing smaller, more frequent orders, shipping costs become an issue, Hedgecock says. To minimize this expense, he encourages dealers in the same area to combine orders. At PDC, Martin says he also has tried to bring costs down by using smaller trucks.

for deliveries within 400 miles and bundling orders together if dealers are willing to wait a week.

Many manufacturers can bundle spas with chemicals and covers, even pool tables and gazebos from third parties to give their dealers the biggest bang for their buck. For those who supplement their spas with products for the off-season, Dave Czech, managing director for Leisure Bay Industries in Orlando, Fla., says bundling products may also offer advantages for independent retailers.

According to Czech, Leisure Bay has expanded its offerings in recent years to include casual furniture, above-ground pools, billiard collections and tanning beds. Allowing dealers to manage their sales floor and inventory according to the season.

In addition to helping dealers better manage their inventory, Czech says his company also helps defray shipping costs because dealers can mix and match trucks based on demand. "You're not asked to take a half or full truckload of spas and try to manage your freight expense. For example, a truck could be comprised of three billiard

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**CUSTOMERS CAN STILL ORDER ANYTHING THEY WANT, BUT THE MODELS HE NOW DISPLAYS OUT FRONT ARE THE BEST VALUES IN EACH CATEGORY FOR THE CONSUMER AND THE ONES WHERE HE STILL CAN HOLD HIS MARGINS.**

collections, some casual furniture, five spas and four above-ground pools. Inventory could be drawn that way. Our model is based upon JIT fulfillment, with Leisure Bay managing the inventory risk."

Patrick Flanagan, of H<sub>2</sub>O Industries Inc. (Family Pool and Spa, Billiard Centers) in Gainesville, Fla., says, "We've always had a great relationship [with Leisure Bay] because they're very flexible and easy to work with." Flanagan owns nine stores in Florida, Georgia and Alabama. "It gives my company the ability to use distribution when it makes sense and still take advantage of buying direct from the manufacturer."

He says the relationship also helps him remain responsive to his customers.

#### **SELF ASSESSMENT OF NEEDS AND INVENTORY LEVELS**

While anticipating consumer demand is always tricky, Black says now is a perfect time to look back at previous sales records and rid your inventory of redundancies and crossovers. Realizing he was carrying too much product, Black says he sold off his back room inventory and reduced the number of floor models to focus only on the best sellers that can create higher inventory turns and margins. Customers can still order anything they want, but the models he now displays out front are the best values in each category for the consumer and the ones where he still can hold his margins.

Czech likewise says the company has taken stock of its offerings in the face of shifting demand. "We have studied the retail points at what is selling in the industry over the past eighteen months," he says. "Spas at the \$3000 - \$6000 retail points comprise roughly 65 percent of what's being sold, and we don't foresee that trend changing throughout 2009. Our product mix has shifted accordingly, with over half of our offerings hitting these key points."

And while nobody knows what will happen with the economy this year, Czech says, "Being able to manage cash flow is going to be critical to a company's success in 2009 and beyond." ■



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# Embrace Your Community for Success

A HEATING AND AIR CONDITIONING BUSINESS IS USING HOT TUBS AND A GREAT LOCATION TO REACH THEIR REGION IN A SPECIAL WAY.

PHOTOGRAPHY BY BRIAN GRIFFIN

**WHAT STARTED OFF AS** a heating and air conditioning business with no retail presence in 1994, Shawn Maynard and his partner Chris Bowen, have turned into a full-fledged destination for luxury home items.

“Coming into the beginning of 2000, we began to shift our focus from the contractor to the homeowner – offering higher quality heating, A/C equipment and fireplaces,” Maynard says. “This lead to the need for a more attractive office and showroom space.”

They purchased their current warehouse location, The Cannery Center, and began to restore the original brick and timber feel. This garnered a lot of support from their town since it is the oldest building standing in their community.

While at a fireplace expo, they saw several hot tub companies and thought it might be a good fit for

a section of their space in which they were finishing renovations. They purchased six spas and threw a grand opening parking lot event.

“In the two week event we sold a bunch of spas and decided to dedicate the larger 5,000 square foot space to spas,” Maynard says. Bullfrog Spas of Ogden was born.

It was an easy leap to start selling spas, Maynard says, since they already had the proper infrastructure in place such as service vans, trained technicians, advertising they could combine with their other businesses/products and administrative staff.

While Maynard says they didn’t have a master plan when deciding what products to carry, it has worked out so they can offset seasonal items during slow times, while still maintaining their employee base and infrastructure. ■

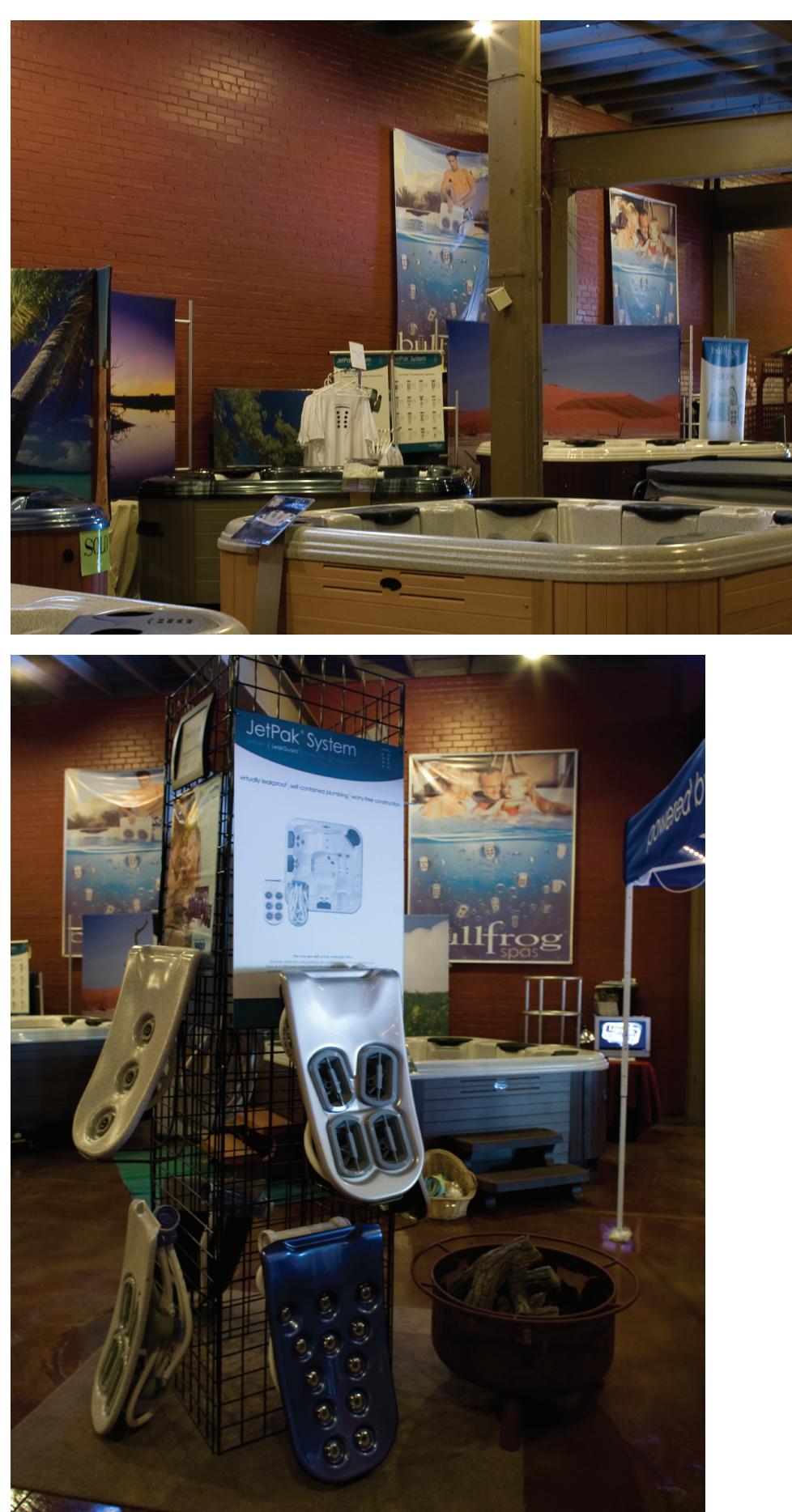


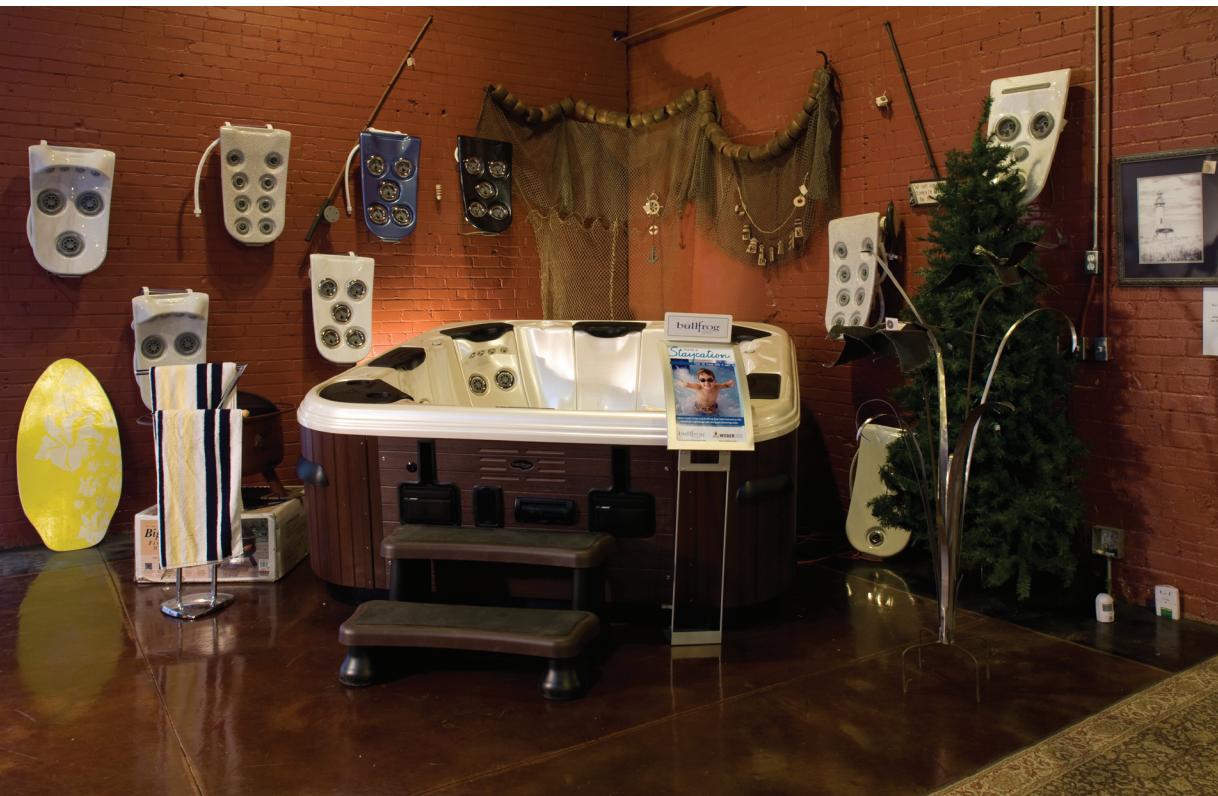
Each issue of SR in 2009 will feature a non-traditional hot tub retailer, a store that began without hot tubs in mind, and explain how hot tubs have become an important part of their growth and success.

**Setting the Mood**

"We also offer furniture as part of the gift boutique," Maynard says. "Really, the furniture and boutique are mostly there to enhance the look and feel of the office space and fireplace showroom. As a standalone they aren't necessarily a highly profitable part of the business, but they contribute to the overall feel of the building."









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"Our products are mostly made in America and in our community with very little imported product. A lot of our advertising emphasizes the 'shop local' aspect. Especially with the historic feel of the building and its history as the town's center of commerce during the early part of the century," Maynard says. "The litmus test for a product to be offered in the store is it has to be unique, high-quality and not found in big box stores."

They also custom make rustic pool tables as well as selling a mainstream brand. Their latest creation (shown above) retails for \$14,000.



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## ADVANTIS TECHNOLOGIES



## ADVANTIS TECHNOLOGIES

## ADVANTIS TECHNOLOGIES

## 1400 Bluegrass Lakes Pkwy.

Alpharetta, GA 30004

800-445-2059

POOLSPACARE.COM

Advantis Technologies manufactures some of the industries most sought after water care products. These include Rendezvous, a line from their GLB brand products; Leisure Time; and Robarb.

- Rendezvous is a complete spa care system that includes products such as sanitizers, balancers, fragrances, filter cleaners and surface cleansers.
- Leisure Time offers a full range of spa chemicals such as clarifiers, sanitizers and fragrances. It also has 12 different EsScents fragrances.
- The Robarb collection of hot water chemicals features everything from sanitizers and balancers to cleansers and scum, stain and scale controllers.

## ARCH CHEMICALS, INC.

## 1955 Lake Park Dr., Ste. 250

Smyrna, GA 30080

800-248-7665

ARCHCHEMICALS.COM

Arch Chemicals, Inc. is a biocides company with manufacturing facilities around the globe. They focus on treatment and performance products in a number of areas including water care. Hot tub sanitizers created by Arch Chemicals include BaquaSpa and Brilliance for Spas. They also manufacture being aromatherapy, an all-natural aromatherapy line for hot tubs.

- To help consumers get their hot tubs clean and clear, BaquaSpa offers a range of hot water chemicals. Products include their three-step water care system, balancers and other support chemicals used for start-up, foam reduction, cleaning and clarity restoration.
- Brilliance for Spas is a chlorine-free, bromine-based spa care system, which aids in cleaning the hot tub's water while not affecting its water chemistry.
- being aromatherapy is great for consumers who are interested in a fragrance product with little chemical interference.



## ARCH CHEMICALS

## BIOGUARD

## P.O. Box 300002

Lawrenceville, GA 30049

800-932-5943

BIOGUARD.COM

BioGuard began manufacturing pool chemicals over four decades ago. The SpaGuard brand, formulated specifically for hot tubs, offers consumers simplicity.

- SpaGuard features a full-range of hot tub chemicals including sanitizers, oxidizers and balancers. They also have the Soft Soak line, which is a bromine- and chlorine-free spa care system.

- The SpaGuard brand also contains the Moments aromatherapy line. Moments offers customers six fragrances to help enhance the overall hot tub experience.



## BIOGUARD

**CAPO INDUSTRIES LTD.**

**1200 Corporate Dr.  
Burlington, ON L7L5R6, CANADA  
800-263-8250  
CAPOINDUSTRIES.COM**

Capo Industries Ltd., which has been in business since 1893, offers a number of chemical products, including hot tub chemicals. The company manufactures, packages and distributes its products across the U.S. and Canada.

Their leading spa chemical system is SpaBoss.

- SpaBoss products include sanitizers, balancers and specialty products such as a foam remover and clarity chemical. These products are used to help correct and prevent water problems.



CAPO INDUSTRIES

**CREATIVE WATER SOLUTIONS**

**1864 Berkshire Lane N  
Plymouth, MN 55441  
877-212-6493**

**CWSNATURALLY.COM**

Creative Water Solutions is dedicated to creating products with minimal environmental impact. The company has found a way to keep water clean using sphagnum moss, which naturally cleans lakes.

- SpaNaturally, which utilizes sphagnum moss, is an all-natural line of products that include a spa flush, a filter, moss and moss refills and a refill dispenser that is placed in the spa after use for water that is both clean and clear.

**HALOSOURCE, INC.**

**1631 220th St. SE  
Bothell, WA 98021  
866-995-5327  
SEAKLEAR.COM**

Focusing on clean water and antimicrobial technology since 2002, HaloSource has expanded to a worldwide market and added pool and spa chemicals. Its recreational water products utilize Chitosan chemistry, which binds sediments and pollutants so they can be filtered out.

- SeaKlear Spa is a complete line of chemicals including clarifiers, sanitizers and adjuster products. The collection also has a special filter cleaner and leak sealer chemicals.

**HAVILAND CONSUMER PRODUCTS**

**421 Ann St. NW  
Grand Rapids, MI 49504  
800-333-0400  
HAVILANDUSA.COM**

J. Bernard Haviland founded Haviland Enterprises, Inc. in 1934. Since then, Haviland has become a leading chemical distribution company in the U.S. The company has two separate divisions including Haviland Consumer Products, which focuses on pool and spa products.

- The company offers ProTeam brand spa chemicals, which features chemicals designed to leave skin soft and moisturized while reducing eye and skin irritations. Their chemicals include clarifiers, foam reducers and shock products.



HAVILAND CONSUMER PRODUCTS



CREATIVE WATER SOLUTIONS

## INSPARATION

**11950 Hertz St.  
Moorpark, CA 93021  
800-882-0037**

**INSPARATION.COM**

InSPARATION is one of the industries leading spa fragrance companies. They've created over 50 fragrance blends in both liquid and crystal form to help make the hot tub experience more enjoyable. The specially formulated fragrances contain no alcohol, are water-soluble and won't cause harm to the acrylic, motors or jets. According to the company, these aromatherapy products will leave skin smooth and create a relaxing atmosphere.

## KING TECHNOLOGY

**530 11th Ave. S  
Hopkins, MN 55343  
800-222-0169**

**KINGTECHNOLOGY.COM**

Lloyd H. King founded King Technology in 1978; the company has since become known worldwide for their water treatment products. King Technology offers mineral-based solutions for both hot tubs and pools including the Spa Frog. • The Spa Frog Mineral Sanitizer helps control bacteria, keep the pH neutral and reduce chlorine and bromine use to make the water feel softer and look clear. Spa Frog is available in three different versions including the floating system, the mineral spa care system and the in-line system, which is built into the spa.



**KING TECHNOLOGY**

## N. JONAS CO.

**4525 Adams Circle, P.O. BOX 425  
Bensalem, PA 19020  
800-523-6533**

**NJONAS.COM**

The N. Jonas Co. has been in business for over 50 years and is family owned and operated. The company boasts they are the largest private-labeler of pool and spa care products in the U.S. N. Jonas specializes specifically in pool and spa chemicals and aims to provide unsurpassed products, service and support. The company has house brand chemical lines and a number of others including SilSpa, a non-chlorine based sanitizer for hot tubs.

## NATURAL CHEMISTRY, INC.

**40 Richards Ave.  
Norwalk, CT 06854  
800-753-1233**

**NATURALCHEMISTRY.COM**

Natural Chemistry, Inc. was founded in 1989, and since that time they have been advocates of environmentally friendly products. Their pool and spa products feature their patented natural enzyme technology.

- Natural Chemistry products include clarifiers, metal reducers, cleaners and cleansers. Their products help reduce organic build-up, prevent scum lines and oily surfaces and eliminate odors.

## THE NATURAL HOT TUB COMPANY

**6532 Commonwealth Drive  
Roanoke, VA 24018  
877-826-3688**

**THENATURALHOTUBCOMPANY.COM**

The Natural Hot Tub Company focuses on manufacturing products with the environment in mind.

- Products include the Water Treatment and Conditioner, a filter cleaner and a pre-filter, which eliminates water contaminants while the hot tub is being filled. All-natural seaweed enzymes treat the spa water; the enzyme formula attracts oils and other impurities and breaks them down, dissolving them away.



**NATURAL HOT TUB COMPANY**

## PHARMASPA INTERNATIONAL

**2300 Michelin O.  
Laval, QC H7L 5C3, CANADA  
800-361-3742**

**PHARMASPAINTERNATIONAL.COM**

PharmaSpa International, which became a corporation in 2006, is a Canada-based company that opened with hopes of offering the industry a full line of innovative, all-natural aromatherapy products. The company produces crystal and liquid form fragrances formulated to soothe aching muscles and calm the mind.

- The PharmaSpa collection includes Energy, Eucalyptus, Tiger Balm and Articul-R blends. Each blend helps a different body system including the respiratory and muscular systems.
- The Iroka line includes six fragrances that help refresh, relax and soothe. Their products include Escape, Sensual River, Wild Stream, Quiet Sea, Waterfalls and Evening Tide.



**PHARMASPA**

## SPAZAZZ

**264 S Main St.  
Alpine, UT 84004  
877-772-9299**

**SPAZAZZ.COM**

Spazazz, family owned and operated since 1993, aims to provide innovative and quality hot tub aromatherapy products. Their products include refreshing, fragrance blends in crystal, liquid and bead form. According to the company, their products can be seen as a natural healing method for aches, inflammation, tension, dry skin and stress.

- The latest offering of aromatherapy products from Spazazz is the "Set The Mood" line, which was inspired by favorite cocktail flavors. The crystal form product is available in a variety of scents including Margarita, Chocolate Lovers Cocktail and Applefini.



**ZODIAC**

## ZODIAC POOL CARE INC.

**2620 Commerce Way**

**Vista, CA 92081**

**800-822-7933**

**ZODIACPOOLCARE.COM**

Zodiac Pool Care Inc. is a worldwide manufacturer of pool cleaners and water treatment systems, including Nature<sup>2</sup>Spa, a mineral-based product and Cense, an aromatherapy line.

- Nature<sup>2</sup>Spa uses mineral-based technology that reduces the discomfort of eye and skin irritation, prevents bleached swimsuits and discourages scum lines in the hot tub without unpleasant odors. The system is installed in the spa as a part of the existing water circulation system and is designed to fit easily into most spa filters. Nature<sup>2</sup> is also compatible with all ozonators and keeps hot tub water sanitized for four months.
- Cense is a non-chlorine oxidant that offers the same benefits as aromatherapy products while keeping the hot tub clean. It eliminates the smell of chlorine with one of four scents, Island Pleasures, Divine Secrets, Quiet Escape and Simple Rituals.



**SPAZAZZ**

**Looking for an article?** We have provided a detailed index of all stories that have previously appeared in *SpaRetailer*.

These stories are also available at [SPARETAILER.COM](http://SPARETAILER.COM). Stories are color-coded based on the following criteria:

■ STOREFRONT ■ MARKETING ■ OPERATIONS ■ OUTSIDE THE INDUSTRY ■ EXAMPLE: Article Topic/Issue/Page Number/Section Code

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**Got Brochures!** Highlighted below is our March/April 2009 advertiser index of major players devoted to the hot tub industry. To request brochures, simply circle the designated companies and/or product categories on the BRC card (shown right) and we will promptly forward your request for information. Don't forget to visit SPARETAILER.COM for additional online advertisers.



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