

They've Got It Covered

Still riding its mantra of 'safety first,' the pool cover market is bucking recent economic trends by continuing to thrive while providing dealers and installers with tidy profits

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If the pool cover industry had a slogan, it might be "The more things change, the more they stay the same."

Indeed, when *Pool & Spa News* surveyed the swimming pool covers marketplace back in 1997, manufacturers reported that since they'd been in business they had never experienced a sales downturn. Now, four years later, industry members are saying the prosperity continues. And although safety remains the biggest selling point, new points such as affordability, ease of maintenance, and aesthetics are boosting sales even further.

"The last three years have just been incredible," says John St. Clair, Jr., president of All Seasons Automatic Pool Covers, a full-service distributor based in Indianapolis. "Right now, Mother Nature and the economy have slowed us down a bit, but I still think it's going to be a good year. We are still on par with last year."

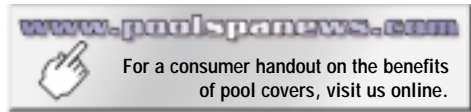
Most distributors and installers interviewed for this story said the economy's slowdown was bound to affect the pool cover industry, but predicted that the impact would be negligible.

"This isn't a very affluent area and the economy is down, but there are still a lot of people buying inground pools and putting covers on them," says Paul Weaver, owner of Weaver's Spa & Pools, a retailer and installer in Indiana, Penn. "It's a value-added thing and people are going for it."

Andy Hartell, president of Perfection Pools, a builder/retailer based in Virginia Beach, Va., believes that "obviously at some point there will be a downturn." But Hartell notes that

consumers are getting the industry's message largely through cover manufacturers' advertising efforts and co-op plans (campaigns in which manufacturers share the cost of local advertising with dealers).

"My sales have increased every year since I've been in business for the past eight years," Hartell says. "I think advertising is the key thing. I've seen [ads for pool covers] in newspapers and in magazines — magazines that aren't necessarily pool-related."



For a consumer handout on the benefits of pool covers, visit us online.

But what exactly is the message that makes pool owners want a cover? Dealers say consumers are being drawn to the product along several avenues.

The selling points

Four years ago, manufacturers said that safety was the No. 1 selling point for pool cover dealers and the No. 1 reason consumers cited for wanting one.

Although affordability and aesthetics are drawing more and more of today's customers, safety is still the biggest selling point. A quick surf of pool cover dealers on the Internet shows that safety is still the sales pitch of choice. Web pages abound with

Uncovering new markets

While the cover industry continues to enjoy overall growth, there are still some regional markets throughout the country that haven't embraced them.

"There are towns where they've never seen these covers and had no idea what I was talking about," says Paul Weaver, owner of Weaver's Spas & Pools in Indiana, Penn. "These are towns just 40 miles or so from here. I went up there a few weeks ago and there is one [pool owner] who has the only cover in town. The dealers there just aren't selling them. I was at a dealers' meeting there recently and [the other dealers] were shocked that I was selling these things."

Weaver said more education is needed in these markets, not just for consumers, but for dealers and builders as well.

"Three-quarters of the dealers in this market had never sold an automatic cover," he says. "They said it was too much hassle. It takes some skill and training to do this right. They prefer to put in the pool and move on and not get into all that."

Steve Hayner, president of Southwest Cover Specialist, a cover installation firm based in Albuquerque, N.M., can relate to Weaver's observations. He says

builders and dealers are still finding excuses to avoid selling pool covers to their customers.

"Thirty years ago, New Mexico wouldn't have known an automatic cover from anything. Nowadays, you include them in your bid, they're so educated," he says. "You just have to educate them. Arizona, for example is a hard market to crush. You can't tell them that covers are good for [keeping the water warm] because they don't want to hear that in Arizona. What they don't understand is it can cool the water too by running [the circulation system] at night. Just a little education would help and then they'd be able to sell these things."

The key, Hayner says, is that someone simply must attack these uneducated markets with gusto: "You just have to get after it and figure out how to sell it is all."

One thing, dealers say, that has changed over the past five years to help the cover penetrate "uneducated" markets is the advent of the Internet. In fact, some companies sell covers exclusively online.

"[Consumers] are getting more educated because of the Internet," says Eric Feigen, general manager of Pools Etc. Inc. an online dealer of pool covers based in North

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photos and illustrations of children frolicking close to the edge of a covered pool, or playing safely and soundly in the middle of a safety cover — sometimes accompanied by the family pet.

"Safety, to most homeowners, is No. 1," says Hartell. "You can't put a price on one of your kids. So, what's \$1,000 or \$1,500 [for a pool cover]? If the customer isn't aware [of the safety issue], I try to make them aware of it. The purpose of our advertising and our Web site is to make them aware."

Steve Hayner, president of Southwest Cover Specialists, a cover installation firm in Albuquerque, N.M., says that consumers have been bombarded with the safety message now for so long they actually seek out his company.

"The industry uses safety as a selling point, but [consumers] are so aware of that by now ... that's why they are coming to us," he says. "Some of the sales I've made are people who came to us in tears because their little dog drowned in their pool and they can't imagine it happening to their grandchild. People are extremely aware of this. Parents are scared to death these days of anything that can hurt the kids."

Weaver agrees, saying that when he receives consumer surveys from his cover supplier, "safety is the first thing that is checked." ▶



The cover industry still uses the safety issue as a selling point when marketing its products.

Cover Star

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Attleboro, Mass. "They can do more research. Now they seem to understand more. We have more and more customers calling, but they're asking less and less questions."

Advertising is the key to reaching these untapped markets and the Internet is a powerful tool for doing so, says Andy Hartell, president of Perfection Pools, a builder/retailer in Virginia Beach, Va.

"You have the Internet now, which is a real good source for things like [teaching consumers about] safety issues. I think the media is playing a big part in getting people to be aware [of the benefits of pool covers]."

And Hartell doesn't see the pool cover market's expansion letting up anytime soon. "Not yet, anyway," he says, pointing out that the swimming pool market itself

is still strong. "Think about it: The price of a pool can be less than the price of a car. I know you use a car a lot and kind of need it, but if you have a house and kids, in this day and age a pool can be as important because I like to keep the kids at home as much as possible. Let the other kids come over to my house and play instead of the other way around."

— B.D.

However, other dealers say today's consumers take the safety factor as a given and are actually drawn to covers for other reasons.

"Safety is not as big [a selling point] as it used to be," says Eric Feigen, general manager of Pools Etc. Inc., a North Attleboro, Mass.-based online dealer of solar, safety and winter pool covers. "Price and convenience are what's driving the safety cover market. Price used to be a couple thousand dollars, now you can get them for \$600. And now you can [install] it yourself. Basically, [manufacturers] made the instructions simpler."

In addition, dealers say manufacturers are now meeting consumer demand for covers that will fit non-traditional pool designs.

"The technology has changed," explains St. Clair. "It used to be there were square covers for square pools and that was it. But now they're making them for [a variety of pool] shapes. [Manufacturers] are being more aggressive because they recognize that if we are going to grow, we have got to adapt to the demands [of the buyer]."

One of those demands is getting the most use out of pools and spas as possible. And covers help consumers do that, especially in the country's cooler climes, where they can extend the swimming season. "That is a big factor here [in Indianapolis] and a good selling point," St. Clair adds.

While consumers are apparently becoming educated about the virtues of pool cover ownership, manufacturers and their dealers still have to find a way to locate those customers and close the deal. Fortunately, pool covers have won an army of staunch allies over the years.

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Making connections

It used to be builders and service techs who brought the idea of installing a pool cover to the consumer. While builders and techs still play a major role, they're no longer the only point people for making a connection between the dealer and the customer.

"We get lots of referrals from service

techs, but word of mouth is now the major thing," says Hayner. "For example, if I do a cover for one doctor, within the year, all his associates will call and want one too. In fact, I've taken my ads out of the Yellow Pages. They're too expensive and I don't need them anymore."

Weaver says he enjoys the same word-of-mouth advertising as Hayner. "Word

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Saving graces

Pool covers can lower utility bills — a key selling point in the energy-strapped western United States. But the promise of energy savings doesn't sell as well in other areas of the country, especially in regions with seasonal swimming.

"We are more seasonal here, so we don't run heaters as much," explains Andy Hartell, president of Perfection Pools, a builder/retailer in Virginia Beach, Va. "You get to November through March and people don't leave the pool open. They just close it up. So, in my sales pitch I have never used [energy savings as a selling point]."

It's in the West — states like Washington and California — that the industry touts the energy-saving aspects of pool covers, especially in light of their power crisis.



Master Pools by Artistic Pools

The energy savings covers can provide is not usually a factor in a high-end pool owner's buying decision.

"Maybe back east they don't feel it as badly," says Steve Hayner, president of Southwest Cover Specialist, a cover installation firm based in Albuquerque, N.M. "Back in the late '80s, I concentrated on [using power savings as a selling point]. Now I'm putting it back in my sales speech and I can see [the customer's] eyes light up. It's definitely worth promoting on a Web page."

Pools Etc. Inc., an online dealer of pool covers, notices the attention its West Coast customers are paying to energy conservation. "Out in California we have sold quite a few solar blankets," says Eric Feigen, the North Attleboro, Mass.-based company's general manager. "[The energy-saving aspect] has become quite a selling tool."

While electricity may not be a problem anywhere but in the western states, the cost of natural gas has risen dramatically across the country. Pool cover dealers say their product can help there as well.

"Electricity is no big deal out here. Heck, we have power plants within site of our building here," says Paul Weaver, owner of

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of mouth is big here because we are kind of a small community," he explains. "It may sound funny, but we don't do a lot of advertising. We are a family-owned business and do a quality job, so people have gotten to know who we are."

Weaver says his company recently added package pool installations to its services and points out that he auto-

matically includes a cover with every vessel, which accounts for a majority of his sales. In addition, he says that as the pools in his region grow older and require renovation, a perfect opportunity presents itself to retrofit a cover.

"I've been in the business 35 years and some of these pools are 25 years old and their owners are fixing them up for

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Weaver's Spas & Pools in Indiana, Penn. "Natural gas and heating can be a problem. There is a high cost involved. The cover cuts that bill in half by eliminating evaporation. That's No. 1 as the cause of heat loss."

Others say that while energy conservation may not be a high priority to some potential cover customers, the savings they'll experience in chemical purchases will be.

"A lot of people have been getting hurt with the stock market crash and more and more are being price-conscious," says Feigen. "So, they're trying to cut back on their chlorine bills."

However, for high-end customers who purchase the pricier automatic covers, gas and heating bills are of little consequence, says John St. Clair, president of All Seasons Automatic Pool Covers in Indianapolis.

"You know, gas prices are real high right now, but I still see just one person per car on the freeway, and the freeways are packed," St. Clair says. "People may complain about energy prices, but I don't know if it's a huge selling feature. My product costs six or seven thousand dollars and those who can spend that aren't worried about 50 bucks a month for heat."

If you'd like to put energy savings into your sales pitch, here are some facts to consider:

According to the Department of Energy, pool-heating costs are typically reduced by between 50 and 70 percent when a cover is installed. This is due to the reduction in evaporation rates.

Evaporation wastes lots of energy. Each time one gallon of water evaporates, well over 1,000 Btus are lost along with it.

Other DOE findings:

- A transparent bubble cover may reduce pool solar energy absorption by 5-15 percent and a completely opaque cover by 20-40 percent.
- Covers conserve water by reducing the amount of make-up water needed by 30-50 percent.
- Covers can reduce chemical consumption by 35-60 percent.

— B.D.

www.poolspanews.com



To see more Department of Energy statistics about pool cover use, visit us online.

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the last time to give them to their grandkids, so to speak. They want them to look good and that usually includes a cover," he explains. "Others are ready to put in a new liner and that is also a good time to add a cover. About a third of our cover sales are retrofits on old pools."

Additionally, while most covers have been sold in the past as retrofits to old

pools, sales for new pool covers are on the rise and may be about to pass retrofits.

"More and more, people with new construction are asking for them," says Hayner. "Right now, 55 to 60 percent [of our sales] is aftermarket and 40-45 percent is new. More and more dealers are finally getting on board. It took a little education of the dealer and the salesman because [the builder] can still

do all those fancy things like waterfeatures and raised bond beams and still do a cover."

In the past, sales professionals were often reluctant to push for more money to add a pool cover for fear of losing the sale, Hayner says. "But the consumer is not stupid," he says. "The same [pool owner] then comes to me aftermarket wondering when to put a cover on." ■

Covering the bottom line

Pool cover dealers say their industry continues to grow in leaps and bounds. Not only do the number of sales increase annually, sellers say its one of the most profitable items one can deal in within the pool industry.

"Covers are a pretty profitable item when it comes to lights and heaters and things like that," says John St. John, president of the Indianapolis-based All Seasons Automatic Pool Covers. "When you sell a cover, there is a potential for a two or three thousand dollar profit. There are some very good margins [selling pool covers]."

One reason for the substantial profit is that the cover industry faces little, if any, competition from outside sources. "The Wal-Marts and Home Depots can't sell them," St. John points out. "They don't know what they're doing. It takes a professional."

In addition, as society grows more and more litigious, builders and retailers have grown more reluctant to promote ancillary items for the pool such as diving boards, slides and ladders. Selling covers has helped make up the difference.

"I have been very pleased with the way it's helped our bottom line," says Paul Weaver, owner of Weaver's Spas & Pools in Indiana, Penn. "Without actually increasing our pool sales, we have increased the dollar volume — our gross. I can get \$5,200 for a cover, installed. We've lost a lot of diving boards and slides due to all those problems, so [covers] have been a big, big help."

— B.D.