

Conducted by
 Golden Coast



Wet Leisure Industry Survey 2021

Results

in association with



Hot Tub & Swim Spa
Scene



Swimming Pool
Scene



Wet Leisure Survey Results 2021

This will be the eleventh year of the Wet Leisure Industry Survey.

Each year these survey reports look back over the year that has been; and what a year it has been.

It almost feels as if our sense of time has been distorted. Covid and its enormous impact on our business lives, Brexit and the global supply chain issues all feel as if they have contributed to a year that is much more complicated and challenging than almost any year we can remember. Lockdowns, social distancing and the restrictions on international travel and foreign holidays have contributed to a year that feels empty and disjointed.

These are certainly strange times.

It's true to say that everyone's experience of this global pandemic is different. The disease can infect any of us or all of us; the restrictions it brings about apply to us all and yet, even within our industry, everyone will have had a unique experience and as such, in the year's report, we aim to get under the skin of the numbers and try and tell something of those individual stories.

This year the survey has once again had the support of the BSPF, Swimming Pool News, ISPE, Swimming Pool Scene, Hot Tub and Swim Spa Scene, SPATA, BISHTA and WhatSpa. The most important contribution however has come from the people who have responded to the survey.

A printed copy of the Wet Leisure Survey Results 2021 is available to everyone at SPATEX and the digital report is available for download at Golden Coast's website, www.goldenc.com. This year's report as well as all previous years can be viewed online at www.wetleisure.com

Please remember to take part in next year's survey when it comes out in October.

All the best,

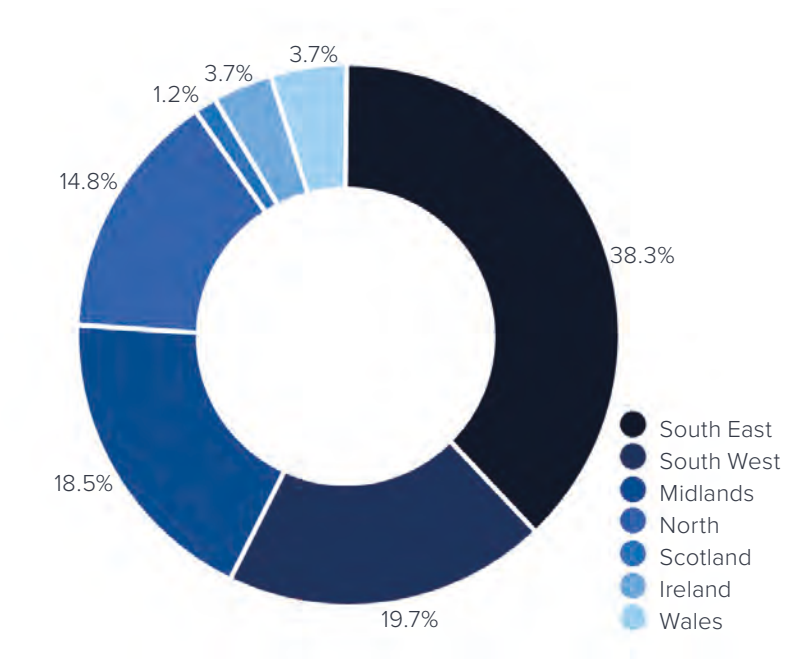
Jamie Adams

Managing Director. Golden Coast

What sort of businesses made up the survey sample?

The questions in this section are designed to show what sort of businesses answered the survey and they also give a good overall picture of the wet leisure industry.

Which region of the UK does your business operate from?

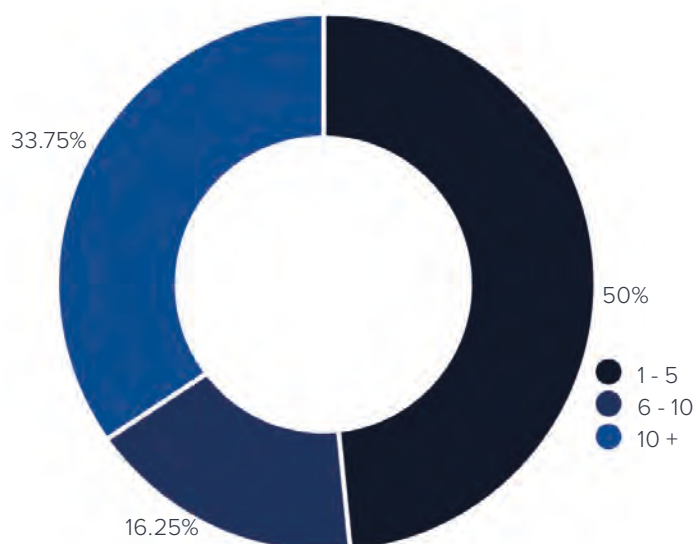


The questions in this section are designed to show what sort of businesses answered the survey and they also give a good overall picture of the wet leisure industry.



What sort of businesses made up the survey sample?

How many employees do you have in your business?



Here we can see a long term trend developing. At almost 35% of our survey sample, the number of businesses with ten or more employees is at its highest level since the survey began in 2011.

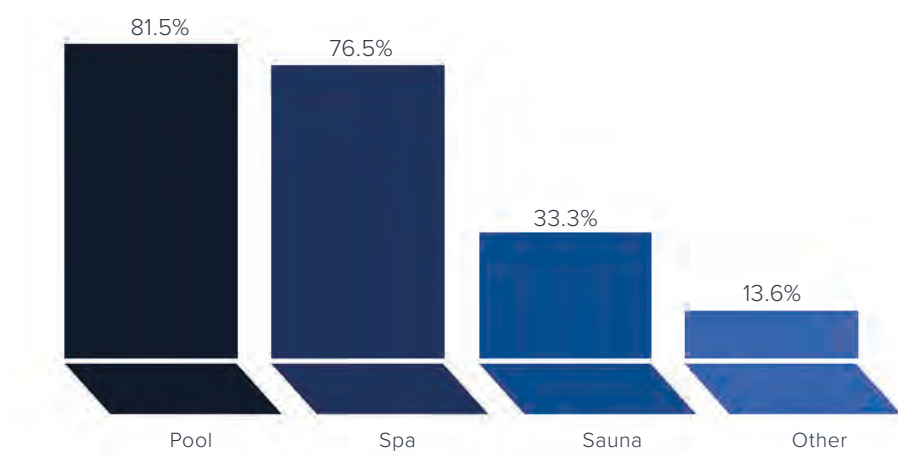
One obvious conclusion is that customer demand is generating enough work to keep those bigger businesses going. Certainly the pool sector has been busy this year and it seems that more bespoke and complicated installations combining spas, steam rooms and wet rooms are continuing to be popular.

Perhaps the more specialist skills involved in these sorts of installations drive businesses to have a broader employee base as opposed to one or two general tradespeople.

The other side of this coin is the number of respondents who pointed to finding qualified staff as one of the biggest challenges they face. A challenge compounded by the boom in the building trade and an industry wide shortage of skilled tradesmen.

What sort of businesses made up the survey sample?

Which sectors of the wet leisure industry do you serve? Please check all that apply.



Pools, it seems, are in demand. Two years of Covid; two years of pools taking the top slot.

Staycations have led to home improvements and those improvements have led to the gold standard in that particular area, the home pool.

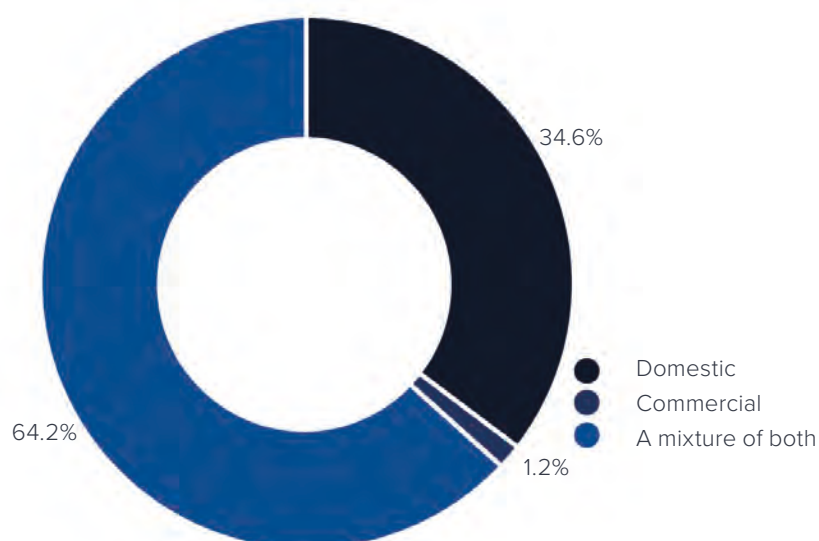
Over 80% of the respondents had been involved in the pool sector in 2021.

Other respondents cited projects from air handling to outdoor kitchens and equine hydrotherapy but steam showers and steam rooms were the most common additions to the list of the big four.



What sort of businesses made up the survey sample?

Are your customers and clients domestic, commercial or a mixture of both?



Over the last five years the purely domestic sector of the industry has slowly shrunk and this year it stands at 35%.

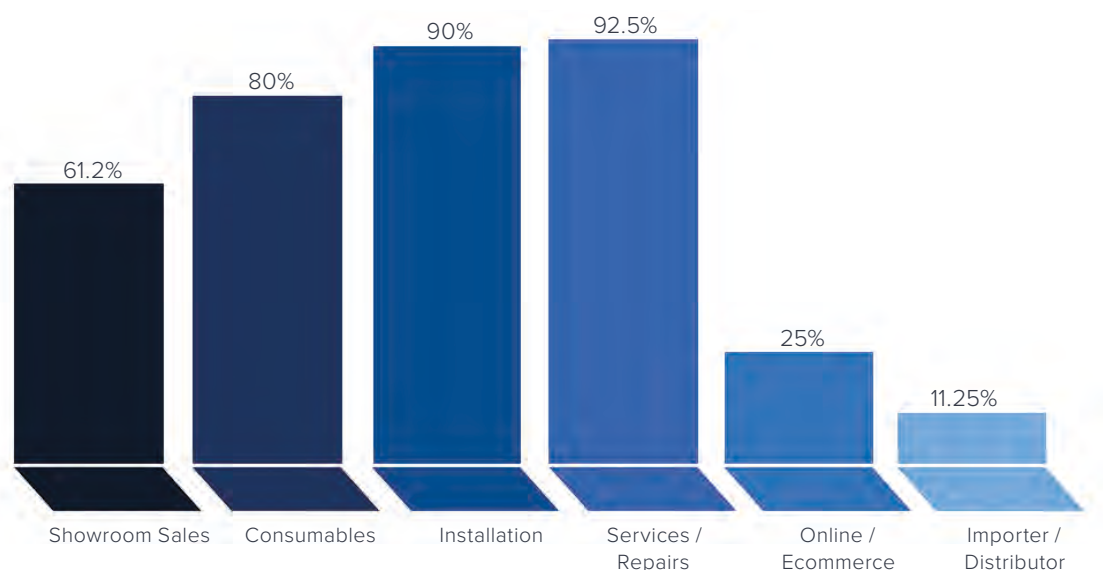
Of course this change has been brought about by businesses taking on both domestic and commercial projects as the lines between the two become more and more blurred.

Pools, saunas and spas in health clubs and spa hotels increasingly have the attention to detail and bespoke design that you might find in a top-end domestic installation while those domestic installations are using the very latest technology to minimise maintenance and improve the bather experience.

In the holiday accommodation sector, a spa or hot tub is almost a given and lodge and cottage owners are increasingly turning to heat pumps to keep the energy costs down.

What sort of businesses made up the survey sample?

What are the services that you offer your customers? Check all that apply.



The relative rankings of these six services have remained the same since the survey began.

Although it doesn't show in these results there is certainly reason to think that lockdowns and social distancing brought about by the pandemic influenced how much these services were used by customers.

Some respondents have said that showroom traffic has reduced massively over the last year and that Internet sales have increased. This is in keeping with retail and other business across the country as a whole but it is interesting to see how it impacts our industry.

Although the Internet is often vilified, over the two years of the pandemic it has allowed wet leisure businesses to stay in touch with their customers and sell them everything from chemicals to spas and saunas.

In summary

The respondents to this year's survey show us an industry that has remained broadly similar from a geographic point of view but has seen two distinct new trends developing. Larger businesses, with staff of ten or more, are more prevalent and there has been sustained growth in the pool sector.

The Wet Leisure Industry operates within the UK economy as a whole and across the country there has been growth in the construction industry and the service industry that has driven economic growth up to pre-Covid levels.

Was 2021 a good year for the Wet Leisure Industry?

The answer to that question is very much, 'It depends...'

A number of factors were at play over the course of the year; some of them helped business growth and some hindered it.

Even the weather couldn't be relied on to affect the country as a whole. The summer of 2021 was a season of contrasting fortunes across the UK, with the north and west of the UK experiencing a warmer, drier and sunnier season compared to average while parts of the south east have been duller and wetter than average.

Possibly due the impact of climate change, there were several notable weather events through the summer, including a new temperature record for Northern Ireland and Storm Evert which brought strong winds and heavy rain across England and Wales and extreme rainfall in the south east. A mixed bag.

Covid's impact, particularly on the travel and tourism industry, once again appeared to drive demand for new pool, spa and swim spa installations while at the same time the global impact of the pandemic disrupted both manufacturing and the supply chain and often made these new orders hard to fulfil.

For the UK, supply chain issues were further complicated by BREXIT.

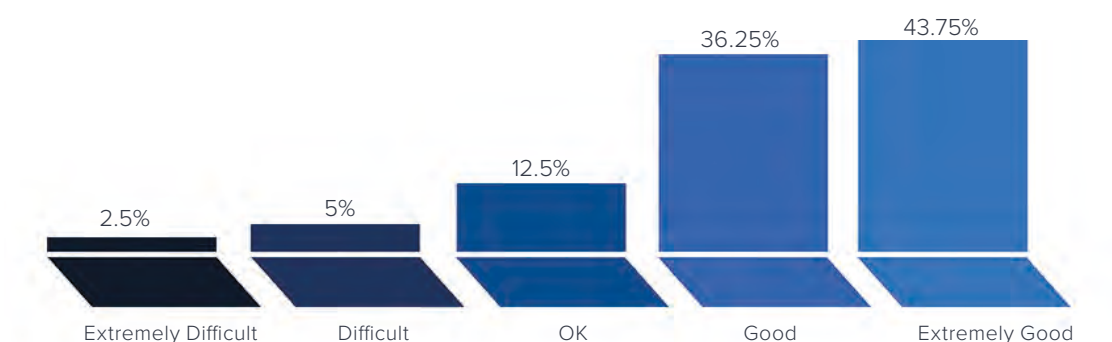
Growth in home improvements and construction increased demand for new build pools while test and trace and positive testing leading to isolation reduced the overstretched labour pool of skilled tradesmen still further making staff recruitment a major issue for many businesses.

How good any particular wet leisure business found conditions in 2021 was very much down to how they coped with these challenging and conflicting conditions.



Was 2021 a good year for the Wet Leisure Industry?

On the following scale, how did you find business conditions this year?



43% of respondents described the year as Extremely Good; the biggest proportion to do that since the survey began.

However, 7.5% reported a year that had been Difficult or Extremely Difficult.

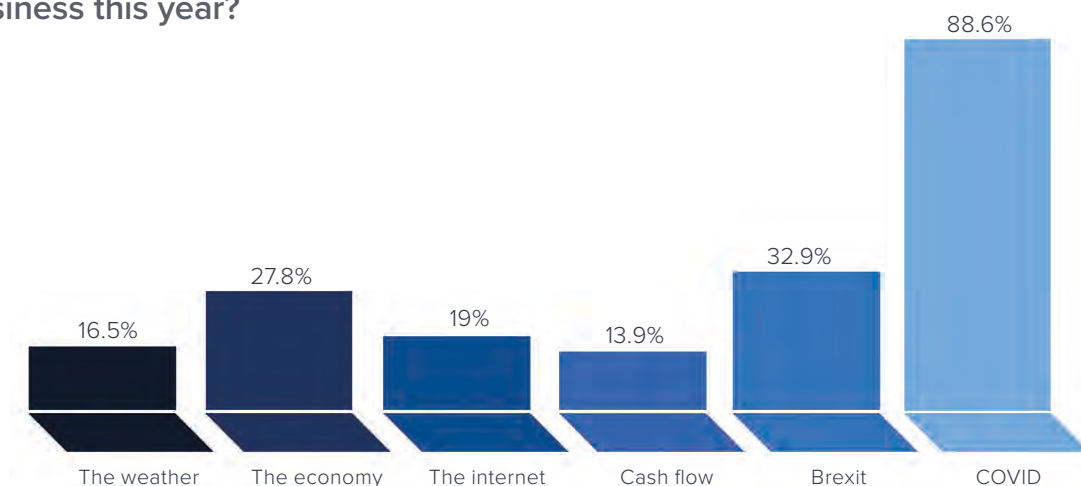
The year certainly had its challenges. Perhaps business in 2021 could be characterised by looking at supply and demand. Customers had money that hadn't been spent on holidays, and lockdowns focussed people's thoughts on their homes and how to improve them plus heightened awareness of health and wellbeing. These things drove customer demand. BREXIT and the supply chain in general plus disruption in manufacturing made it harder to fulfil this demand.

79% of respondents came through the year having balanced those opposing conditions successfully but that outcome wasn't always guaranteed.



Was 2021 a good year for the Wet Leisure Industry?

What would you say were the things that had the biggest influence on your business this year?



Last year, Covid scored 87% on this question. This year it scores 88%.

Last year BREXIT scored 5.5%. This year, it's 33%.

Last year the effects of Covid across the economy rather disguised the impact of BREXIT but this year it was easier to see. With many manufacturers and suppliers to our industry being based in Europe, new regulations and restrictions had a significant impact on business.

It has taken a worldwide pandemic and the biggest upheaval in European politics for a generation to knock the weather off its top spot for this question, but knocked down to fifth place it is.

This is how some of the respondents described the situation in their own words.

“During the Covid pandemic business was very good as a result of people being on lockdown with money saved from limited social life and holidays. After 18months I feel most people are starting to feel the pinch now.”

“Whilst consumer demand has been record breaking, manufacturing output has been very poor meaning that we’ve not been able to match output with demand, which is frustrating. Moreover, supply chain delays have also created record numbers of cancelled orders from consumers getting frustrated with multiple delays.”

“Sales were excellent but Covid caused issues - mainly staff having to isolate.”

“The effects of Covid brought many challenges both from an operational aspect – needing to use additional PPE and have stricter precautions in place – and the knock-on effect of high spa sales plus a lack of part manufacturing and the eventual shortfall of parts that resulted.”

Was 2021 a good year for the Wet Leisure Industry?

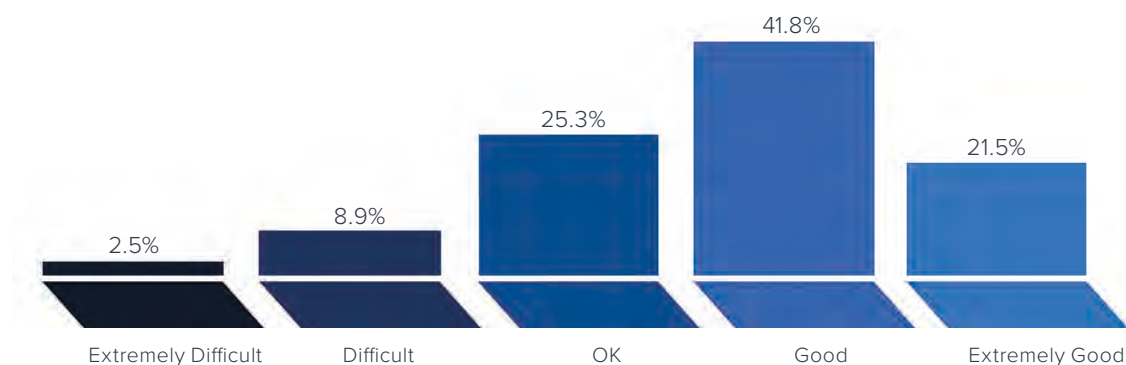
“The amount of items on backorder was staggering and spa owners struggled to understand why certain items were not available. Also we found that while showrooms were concentrating all efforts on new spa sales, aftercare was slipping and in some instances was non-existent.”

“Brexit. Due to the huge disruption associated with the import and export of goods caused by the haulage industry being totally unprepared and probably under informed together with a lack of drivers to get our goods supplied to us or delivered via carriers to customers.”

“Covid has had an awful effect on people’s lives but a very positive one on our industry as the nation became more in tune with home, health and wellness.”

“Covid has driven sales earlier in the year but the shipping crisis is curtailing it now.”

On the following scale, how do you expect conditions to be next year?



One of the constant trends across the lifetime of the Wet Leisure Industry Survey is that businesses expect next year to be pretty much like the year just gone.

This year’s survey shows quite a marked shift away from that. 43% reported having an Extremely Good year but only 20% expect next year to be same.

There are a number of reasons for that which have already been mentioned, particularly the continuing difficulties caused by BREXIT. There is also a feeling that anyone who wants a hot tub and can afford a hot tub probably has a hot tub by now. There certainly must be a degree of market saturation after two years of unprecedented sales.

From a broader perspective, there is increasing pressure to lift overseas travel restrictions and that is certain to have an impact on the popularity of the staycation.

Was 2021 a good year for the Wet Leisure Industry?

On the other hand, a significant increase in the country's stock of pools and spas must trickle down to an increase in demand for maintenance and repairs.

In fact, we asked people what they thought the biggest challenges their business would face next year would be?

These were some of the answers we received.

“Supply will likely get worse before it gets better in 2022, whilst consumer demand will drop year on year, so retailers will be squeezed at both ends making for a much more challenging year in 2022.”

“I think sales will be hard to come by, nearly everyone who was thinking of owning a hot tub in the next 3 years purchased one in the 18 months period.”

“Market saturation and new competitors.”

“Product availability and price. Constant price hikes are causing some dismay for both our clients, and us plus increasing labour costs due to shortages of good craftsmen.”

“We remain Covid ‘alert’ as we go forward. Zero cases in our teams so far and we want to keep it that way. Succession planning; bringing in the right people to maintain our business volume and modest growth.”

“Everything returning to normality; e.g. people going on holidays again and not spending as much at home and supply chain issues continuing to be a problem.”

“Supply chain issues. Long lead times and shortages. High raw material costs. High RRP’S. Impatient customers.”

“Brexit - Importing goods has become difficult, expensive and unpredictable.”

“Amateurs coming into the business because of high demand.”

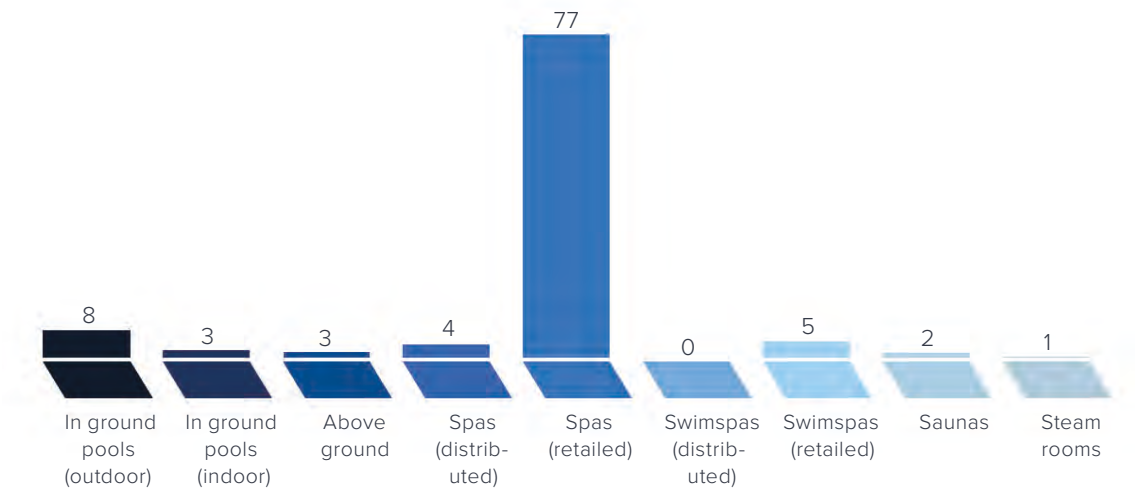
“Prices and availability of consumables and parts. Plus increased prices of new spas due to manufacturers having to pay increased prices for their parts and materials.”

“Consumer luxury spending diverted to overseas holidays and fuel prices inhibiting spa sales.”

As you can see, there are some quite specific concerns about the short-term future of our industry. The external threats of BREXIT and the supply chain are hard for businesses to do anything about that will mitigate those concerns.

Was 2021 a good year for the Wet Leisure Industry?

During 2020, how many of the following products did you install?



It is important to bear in mind that the numbers of products sold are drawn solely from the survey respondents and are not overall industry sales figures.

The survey figures show outdoor in-ground pool numbers have shrunk slightly from 496 installations to 382; although that is still an extremely healthy number.

Spa sales are down to 3,248 from last year’s peak of 5,661.

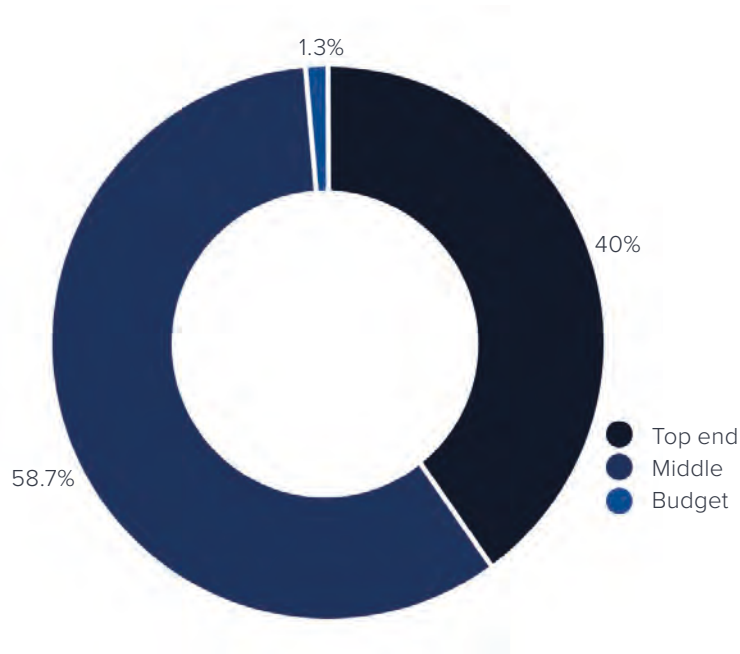
There are many things that could go towards explaining the difference between the two figures not the least of which might be a difference in the businesses that responded to the survey. However one factor that is likely to be hugely significant is the weather. The summer of 2021, as we have already noted, was patchy across the country and with quite high rainfall. 2020 by contrast was one of the sunniest and driest summers the UK has enjoyed since records began.

Even in a year of BREXIT and Covid, the weather likes to demonstrate to us the influence it has over our industry.



Was 2021 a good year for the Wet Leisure Industry?

Would you describe most of those sales as being at the top-end of the market, budget conscious or somewhere in between?



The chart shows that customers looking to make budget conscious purchases are an even smaller sector of the market than last year. Perhaps that furlough money and the savings from un-taken overseas holidays are allowing people to treat themselves.

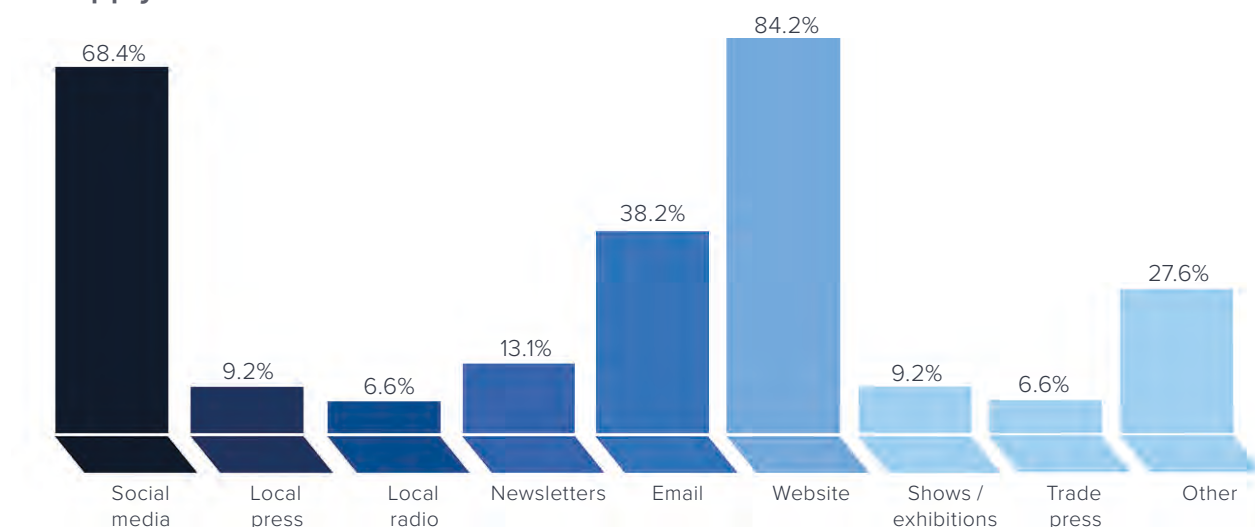
Having said that, one respondent probably has hit the nail on the head when they say,

“People are looking for the best possible products but they want to pay the lowest possible price.”

It is also true to say that as the nation has become more focused on home and health, people see more value in what the wet leisure industry has to offer and so are willing to pay a slightly higher premium for the best possible products and installations.

What trends do we see in the industry?

What marketing and advertising do you do for your business? Please check all that apply.



Respondents often say that the Internet is a threat to their business, but it's the World Wide Web that they turn to when they want to market that same business.

A website, a social media presence and email marketing have become the three main pillars of wet leisure marketing.

Almost 84% of UK businesses have a website. That's about 1.7 million websites. They are the cornerstones of online marketing. Interestingly, exactly 84% of the survey respondents have a website for their business.

70% of UK businesses consider communicating with their customers as being particularly important during the pandemic and almost 70% of those see social media as the best platform to do that. 68% of the survey respondents are using social media.

81% of small businesses in the UK – and around 40% of survey respondents – use email marketing to attract new business and for customer retention.

In the first year of the Wet Leisure Industry Survey, social media was being used by 46% of respondents and email was about the same at just under 50%. Local Press is now being used less than half the amount it was and newsletter use has fallen from 43% to just over 10%.

When asked what marketing works best for them, respondents list word of mouth, website, social media and Facebook in that order.

“Word of mouth.”

“Recommendation, from existing clients, architects and contractors.”

What trends do we see in the industry?

“Word of mouth still remains our best form of marketing. Look after the customers and they look after you!”

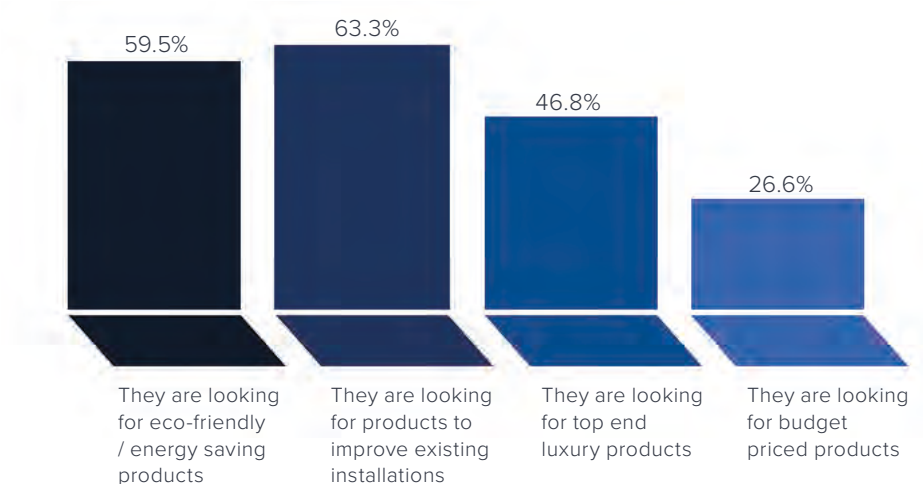
“Social media - but we also find a lot of our custom comes from reviews & word of mouth from our current hot tub customers.”

“Most customers find us through word of mouth or by our locality on a busy garden centre.”

“Facebook, Instagram and website optimisation through Google.”

“Village magazines.”

Which of these market trends are your customers following?



Retrofit products to improve an existing installation take the top spot amongst these consumer trends but eco-friendly and energy saving products are close behind.

Luxury products are almost twice as popular as their budget priced alternatives.

“Looking for mid range products but not afraid to spend more where needed.”

“Customers want the best possible product, but they want to pay as little as possible. We know that they can’t have both; so educating the public is key.”

“There is a continuing interest in technology that helps customers improve the cost of running their pools while also making ownership easier. The ongoing interest in home health and wellness has also resulted in sauna business seeing further growth.”

What trends do we see in the industry?

Spas and hot tubs.

Spas are where the volume lies in wet leisure industry sales but the majority of hot tub businesses are involved in other sectors as well; 77% of them build pools and over 40% install saunas according to this year's survey.

Hot tubs have proven to be an important draw card for the holiday industry and have increased in popularity in the domestic market. As the UK's stock of spas and hot tubs increases both domestically and commercially, that drives growth in the business of maintenance and service.

The relatively short time line from interest to installation has meant that hot tub retailers have been able to respond quickly to the demand in part generated by Covid and make the most of the increase in business.

This year's survey shows that all reported spa sales were either in the middle or top-end of the market. Cheap, inflatable spas are simply not appealing to people who are looking for something to soften the blow of not taking an overseas holiday. As we have seen elsewhere in the survey, people are looking for the best price, but they are looking for the best products as well.

From a marketing point of view, spas are the darlings of social media with Facebook recommendations being seen as one of the most effective forms of marketing in this sector.

60% of respondents reported a bumper year in spa sales this year but only 16% expected next year to be Extremely Good. Perhaps there is something in the possibility that the market is becoming saturated.

“Backlogs of some items due to factory closures during lockdown has been a problem, particularly with portable hot tubs.”

Swimming pools.

Pool businesses that have reported an Extremely Good year are one of the few groups to include businesses that only serve the commercial sector and one of the only groups to not show service and repairs as their most important sector of business. Presumably they concentrate on the construction and installation process.

The pool sector, both new-builds and refurbishments, is particularly strong in the South East.

When it comes to marketing, these pool businesses see word of mouth and their website as being more important than social media and Facebook.

What trends do we see in the industry?

“Word of mouth is always a winner as we use client’s pools to show to potential clients, so they know what to expect.”

Almost 80% of the pool builders have seen strong growth in their businesses in 2021, plus they are confident about the prospects for business next year with 24% expecting business conditions to be Extremely Good.

“There has been a massive demand for in ground pools that has sparked a growth in DIY Pool installations due to the fact that professional pool builders were booked up well in advance.”

“The market is very buoyant at present & we are already fully booked for new builds & refurbishments until Jan 2023.”

“DIY pool kits are in demand as we are unable to build new pools ourselves other than what we can cope with. So we sell them a DIY kit instead.”

Sauna, steam and swim spas.

The popularity of sauna and steam is spread relatively evenly across the UK’s regions with The South East and West, the Midlands and the North taking the lion’s share.

Businesses that sell sauna and steam installations are practically guaranteed over 90% – to work in the pool or spa sector as well.

48% of these businesses enjoyed an Extremely Good year in 2021 and 26% of them expect that to continue next year.

“Until recently, sauna has been one of our industries best kept secrets but we have seen a marked upturn in interest in a product line that is closely associated with spas and hot tubs and can be installed and enjoyed year round.”

Breakdown by region.

South East.

38% of respondents operate in the South East.

They are more likely to employ 10 or more staff than the survey average and significantly more likely to be building and refurbishing pools. They fared better than most over the last year with almost 90% reporting a Good or Extremely Good year. The challenges they expect to face next year are rising prices and difficulty in finding enough trained staff.

South West.

20% of respondents operate in the South West.

There are more smaller businesses in the South West with 50% of respondents employing 5 staff or less although this is a decrease on last year's figure of 65%.

Swimming pools are a very important sector in this region as is the provision of maintenance and service; probably due to demand from the tourism and holiday industry.

Midlands.

18% of respondents operate in the Midlands.

Bigger businesses are much more common in this region with 40% of respondents employing 10 people or more compared to the survey average of 30%.

Sauna has more importance in the market in the Midlands compared to the survey average and pools and spas less so.

50% of respondents enjoyed an Extremely Good year and almost 30% of them expect that to continue next year.

North.

15% of respondents operate in the North.

Last year, businesses in the North were smaller than the Survey average with over 80% employing less than 5 people. This year that figure has reduced to 40%. Yet more indication that wet leisure industry businesses are getting bigger in terms of staff numbers.

Hot tub sales have always been high in the North but this year has shown strong growth in the pool sector as well.

Breakdown by region.

Scotland.

Barely 1% of the survey responses are from businesses operating in Scotland.

It would be wrong to attempt to draw any conclusions or insights from such a small sample.

Ireland.

Just under 4% of the survey respondents operate in Ireland.

They are smaller businesses – almost 70% employ less than 5 people –working across the pool, spa and sauna sectors. Sauna has traditionally been strong in Ireland and this year almost 70% of respondents from Ireland are offering sauna and steam installations.

Business was Extremely Good in Ireland in 2021 but respondents expect 2022 to be merely OK or Good.

Wales.

Almost 4% of the survey respondents operate in Wales.

Businesses in Wales tend to be operating with fewer staff than the survey norm with 65% having 5 employees or less.

The respondents are mostly working in the spa sector. They enjoyed an extremely good year in 2021 but expect business to slacken up in 2022.



In Conclusion.

2021 was a year of change.

Spending patterns changed, holiday plans changed. How the UK works and where people go to work changed.

Change is good in many ways but people find too much change or continued change to be unsettling and so that old, familiar question raises its head once again.

Is this the new normal? Is this how the world will be from now on? Is this how the country will be? Is this how our business and our industry will be?

The answer to that is probably, yes and no.

The importance of home and wellbeing has been raised. It was already on an increase and was accelerated in 2021 and will probably stay that way, which is good for our industry.

That also seems to be driving demand for better quality installations, better use of tech to make ownership more enjoyable and maintenance easier.

Swimming pools enjoyed a real renaissance in 2021. Will that continue? It was another bumper year for spas. Will that continue or is the hot tub market becoming saturated now?

If there are any dark clouds on the horizon, they mostly come from concern about further repercussions from BREXIT, supply chain issues and escalating manufacturing costs but what we have seen this year is a robust and agile industry; a wet leisure industry that can make the most of the opportunities as they present themselves.

Hopefully, even in these challenging times, the information in this report has been of interest and we hope that you can use it to help improve your business.

We would like to thank everyone who took part in this survey and encourage every member of our industry to take part in the future so that an even more detailed and accurate picture of our industry may be drawn.

And we would like to wish you all the best for the year ahead.

