



# Results

Conducted by Golden Coast in association



## Wet Leisure Survey Results 2022

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This will be the twelfth year of the Wet leisure Industry Survey

To be honest, it doesn't feel as if we have been going that long but if the records show we have, then we have.

And that is one of the reasons for the survey. Memory plays tricks on us; some things we miss-remember, some things we simply forget. So it's good to have an accurate record of our industry. What are the challenges we have faced and how did we overcome them?

Those are things it's good to know when we are making business decisions for the future. It is good to have the lessons of the past to look to.

Certainly 2022 was a year packed with things to remember.

War in Europe.

Three Prime Ministers but no elections.

The shortest term of office for any Prime Minister on record. Outlasted by a lettuce and ending in economic meltdown.

The hottest day on record in the UK.

Farewell to a Queen.

Spiralling energy bills fuelling the biggest jump in cost of living for 40 years.

Against such a challenging background, it is fascinating to see how our industry got on.

I hope you enjoy reading the results and the insights that were drawn from them.

**Jamie Adams**

Director, Golden Coast



## What sort of businesses made up the survey sample?

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### Who took the survey?

Of course, the answer to that is that we don't know. All the responses to the Wet Leisure Survey are anonymous.

What we do have are half a dozen questions that begin the survey that allow us to get a picture of what sort of businesses responded. Where in the UK they are based, what sort of services do they offer and how big are they.

This gives us a picture of the survey sample and a good idea of the state of the industry. These first questions provide a context for the rest of the survey.

2022 feels as if it needs a little bit more than that. It feels as if it needs a broader context. A context for the whole industry to be seen in.

Every year there are things that affect the wet leisure industry and affect the rest of the country and the economy too. We will usually mention those things to put the survey results in context. Looking back, 2022 was an exceptional year. There were things that influenced how our industry performed that were truly global events but often had a particular impact on the world of pools, spas and saunas.

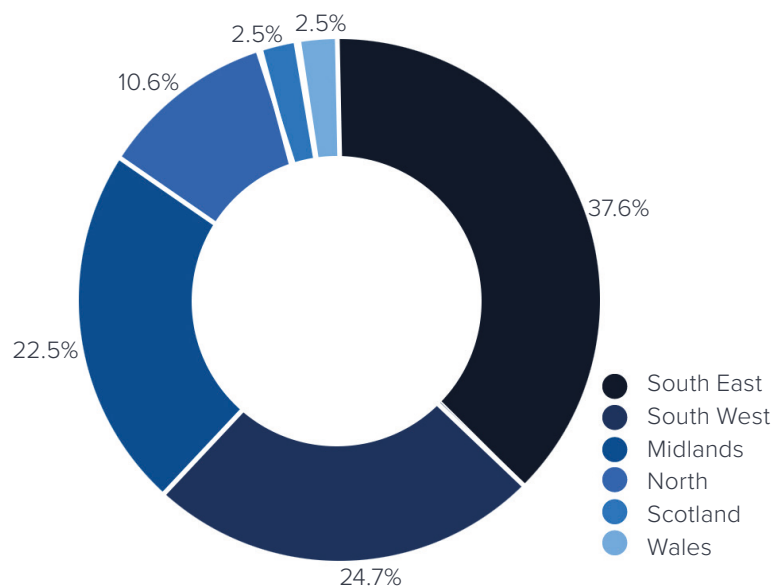
As we go through the first six questions, we will examine just how those events moulded the business performance of our industry.



## What sort of businesses made up the survey sample?

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### Which region of the UK does your business operate from?



We give businesses seven regions to choose from and at first glance the relative number of businesses operating in each area seems as if it simply reflects the economic strength of each of those areas, but that isn't quite the way it is.

Geographically, London is the smallest region on the UK map but in 2022 Greater London grew more – in economic terms – than anywhere else in the UK. London grew by 14.4% over the course of the year.

The survey sees London as simply part of the South East but the likelihood is that business conditions in London are different to anywhere else in the UK; driven by salaries and income, driven by property prices, driven by the affluence of the capitol. In next year's survey, London will be seen as a separate region.

The next anomaly is Scotland.

Scotland is a prosperous region with 12.8% growth in 2022 and yet less than 3% of respondents come from north of the border.

We know that there are some exceptional pools and spas in Scotland so perhaps this is more about a Scottish reluctance to participate in surveys.

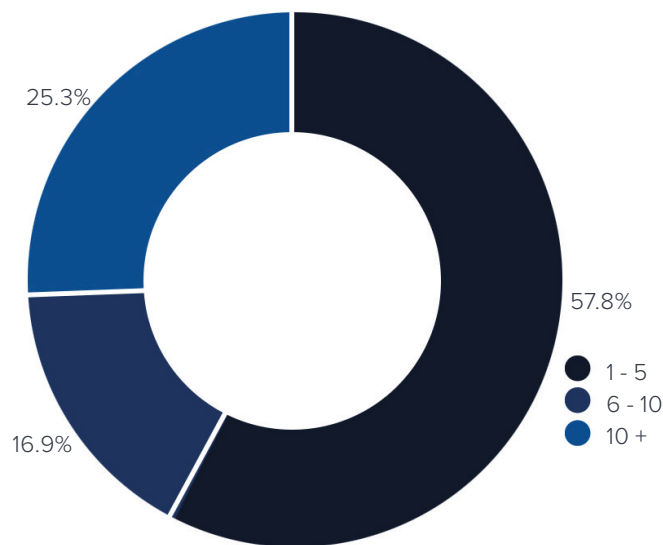
And then we have the South West.

The economic data puts the Midlands and the North above the South West but the survey responses rank Cornwall, Devon and Somerset as the second largest region after the South East. Perhaps this is in part driven by the strength of the tourism industry in the region driving sales of pools and spas.

## What sort of businesses made up the survey sample?

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### How many employees do you have in your business?



Most wet leisure businesses would be classified as SMEs. That is, they are Small to Medium Enterprises and as such employ less than 50 staff.

There are some interesting statistics if you look at the government research and statistics on smaller businesses in general in the UK.

- 99.21% of the total UK business population are small businesses with less than 50 employees.
- The average turnover of a small business in the UK is £286,482
- There are 5.3 million micro businesses in the UK with less than 10 employees accounting for 95% of all businesses.
- The average turnover of a micro business is £176,016.

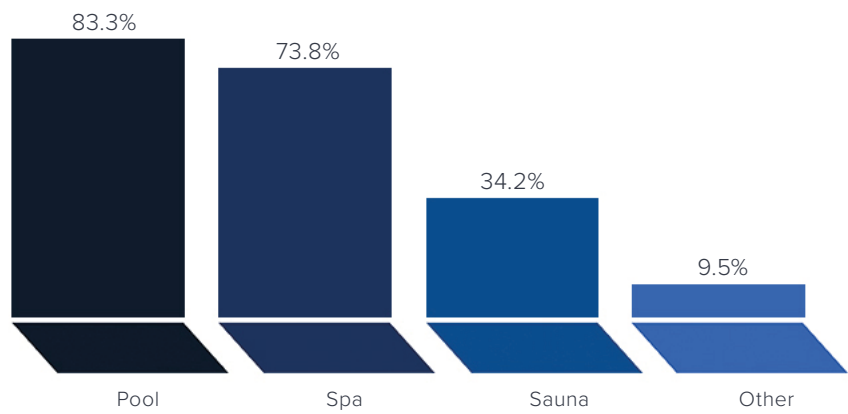
Looking at the survey this year we see the first reversal of a long-term trend. Up until this year the number of businesses with ten or more employees had been growing steadily since the survey began in 2011. This year those larger businesses dropped back from 35% to 25%.

Sadly, it seems that the most likely cause of that is that businesses have been laying staff off to cut their overheads during difficult times.

Last year a significant number of respondents pointed to a lack of skilled staff as one of the biggest challenges they faced. This year there are only a couple of such responses.

# What sort of businesses made up the survey sample?

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



The third consecutive year of pools taking the top slot in this list.

The pandemic led to travel restrictions led to staycations led to people spending more money on home improvements. For the right property in the right area adding a pool to your home, either outdoor or indoor, remains the ultimate glamorous feature that can also add value to the house

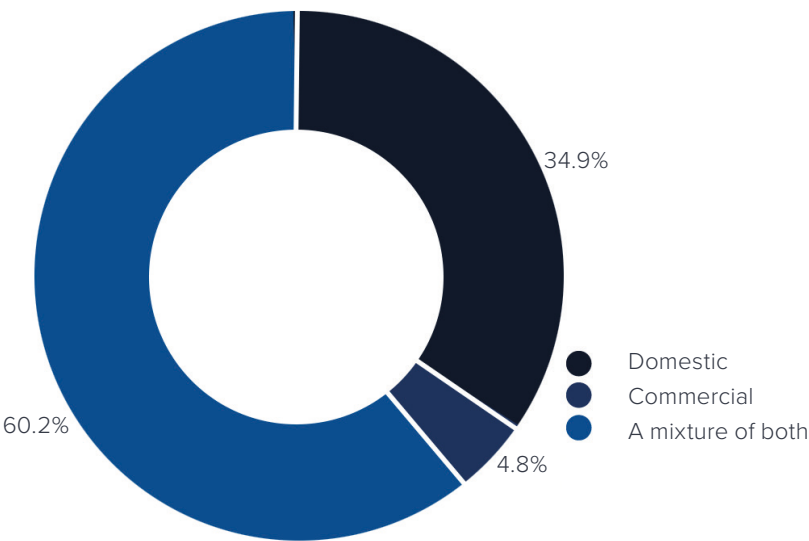
There's an estimated 210,000 private swimming pools in the UK with over two thousand more being built every year. As the top end of the market remains buoyant, then top end pools are being installed in properties up and down the country. As the country's stock of pools rises, so does the amount of money being spent on chemicals, maintenance and servicing. Growth in one sector of the industry powers growth in another.

Respondents also reported being involved in equine and canine hydrotherapy projects and, of course, sauna and steam rooms.



# What sort of businesses made up the survey sample?

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

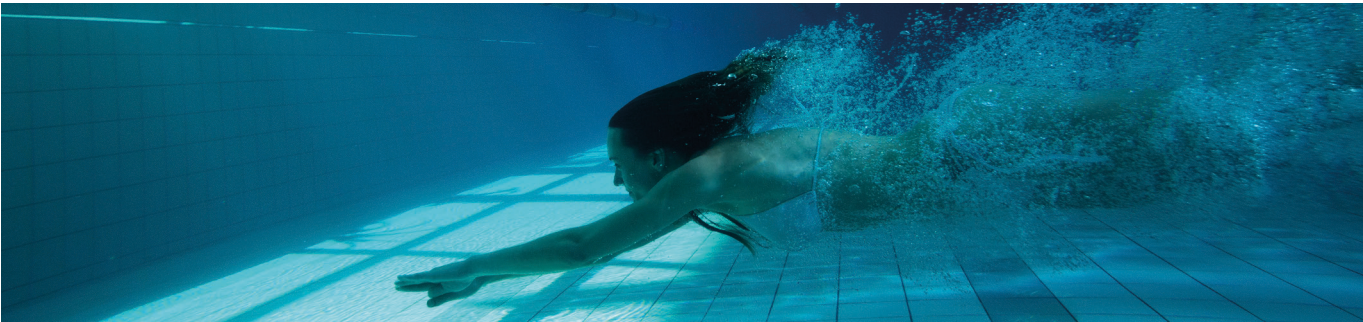


The purely domestic sector continues to shrink; this year just by one percent from 35% to 34%.

There has been growth in the commercial sector that has been driven by the health, leisure and tourism industry where pools spas and saunas are becoming more and more prevalent.

By contrast the last few years have hit public and council owned facilities hard. Swimmers across the UK have lost access to more than 60 public pools in the last three years. A lack of staff, rising energy costs and chemical shortages have created problems for public pools staying open that simply couldn't be overcome.

Following Covid, there had been signs that some pools might open again but the spiralling cost of energy made those closures more likely to become permanent.

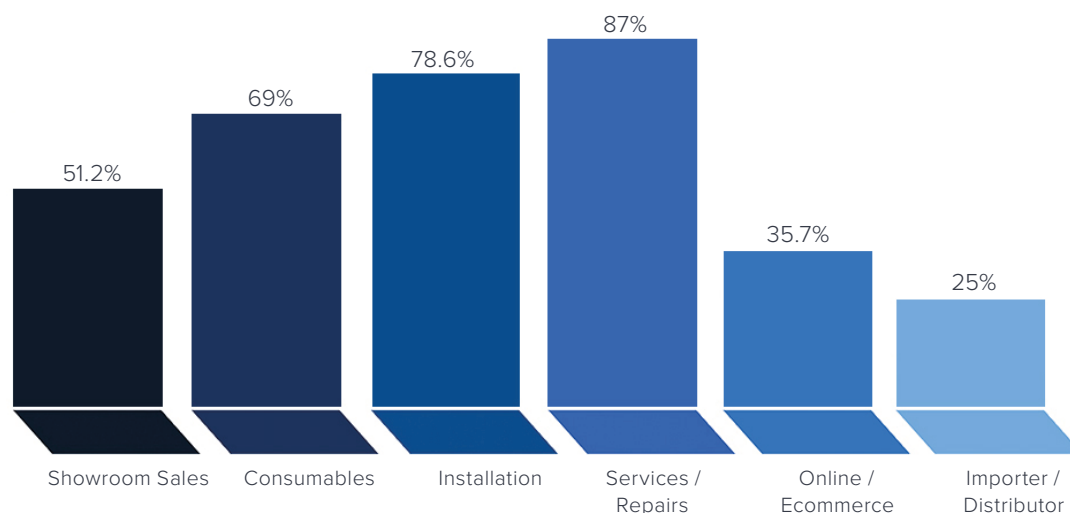




## What sort of businesses made up the survey sample?

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



Services and repairs stand head and shoulders above the rest at 87% and, as we previously noted, as the UK's stock of pools increases, this business looks as if it can only prosper.

However, the pandemic and following that, the rise in the cost of living, has renewed Britain's love affair with DIY. This isn't to suggest that people will be building their own pools, but people may well be more likely to do their own pool maintenance and water treatment.

They might reconsider whether that regular maintenance contract is strictly necessary.

People will be looking to save money and water treatment and dosing technologies may look increasingly attractive when compared to the cost of a maintenance contract, particularly if it has become more commonly acceptable to be doing your own work.

The pandemic has had another influence on the responses to this question and this is one that has already taken place.

Online and e-commerce has grown to be a service that over 36% of respondents offer. As you will be well aware, this isn't a trend restricted to our industry. In 2022, the UK was expected to have nearly 60 million e-commerce users leaving only a tiny minority of the population as non-digital buyers. As such, e-commerce has undeniably become the norm for shoppers everywhere in the UK. People may not be buying many indoor pools or a bespoke saunas online but we can be sure that the e-commerce market for chemicals and consumables is booming.

## What sort of businesses made up the survey sample?

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Over the coming years, the UK e-commerce market is only expected to grow. Between 2021 and 2025, experts estimate that it will increase by more than 25% to a total market value of £260 billion.

The wet leisure industry will not be exempt from that trend.

There is another trend that it is to be hoped our industry will benefit from; an increase in spending on goods that increase pleasure, plus an emphasis on health and well-being. Combine that with the increased importance and focus on the home and we should be well placed for future growth.

In summary

The respondents to this year's survey show us an industry that has remained broadly similar from a geographic point of view. As the economic power of the capital becomes greater and greater it may well be worth treating London as a separate region.

We have seen businesses with ten or more employees reduce in number for the first time since the survey began and there is a possibility that this is due to staff cutbacks in a challenging economy.

Council run and public pools are facing significant problems and many are closing however, the wet leisure industry is now, more than ever, an intrinsic part of the UK leisure industry with pools, hot tubs and saunas becoming an expected part of the hotel and holiday park experience.

Will the trends for self-build and DIY spill over into the pool service sector and make pool and spa owners more likely to tackle service and water management themselves?

Which all leads us to...

## Was 2022 a good year for the Wet Leisure Industry?

2021 was a year of contrasts. Quite often, extreme contrasts.

On the 19th July, Lincolnshire recorded a temperature of 40.3°C making it the hottest day on record and we all know that our industry thrives when the sun shines.

However, rainfall for the season was also well above average. The UK had 402.5mm of rain, which is 19% more than normal and although a warm summer tempts people out into their pools and spas, it is a dry one that really makes a difference to the business.

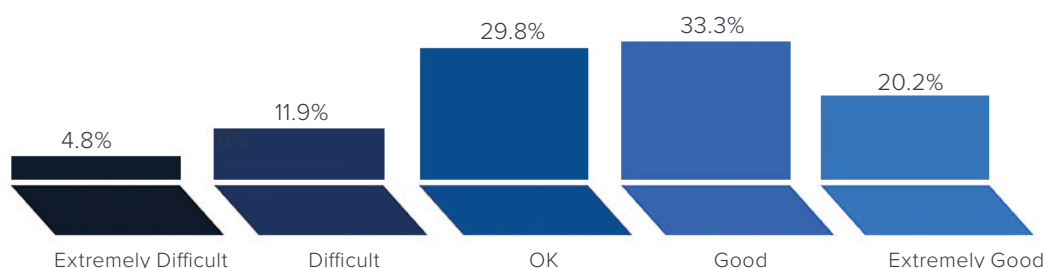
This year we had that interesting combination of flooding and a hosepipe ban. Neither is ideal for business. Even now, many local authorities are concerned with reservoir levels and are asking customers to be careful with water usage.

## Was 2022 a good year for the Wet Leisure Industry?

At the beginning of the year the UK economy was still adapting to the changes brought about by Covid and BREXIT when, in part due to the war in Ukraine, energy prices started to climb and, when the price cap was removed, skyrocket. By the end of the year the country was suffering from a cost of living crisis driven in part by these spiralling energy costs. It quickly became clear that this would hit the wet leisure industry hard and so it has done.

However, there is one sector that still appears to be thriving. The rich are different to us. They have more money. The upper end of the wet leisure industry had a good year and they appear to be set to continue to do so.

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



83% of respondents found 2022 to be OK or better in terms of business conditions. In contrast, in 2021, 92% of businesses described the year that way.

As we have already seen, 2022 started as another promising year but really did end up in the doldrums.

With inflation swallowing any pay rises and the threat of enormous energy bills landing on the mat, consumer confidence fell steadily and steeply throughout the year. People had a deteriorating view of their personal financial situation and many just stopped spending money wherever they could.

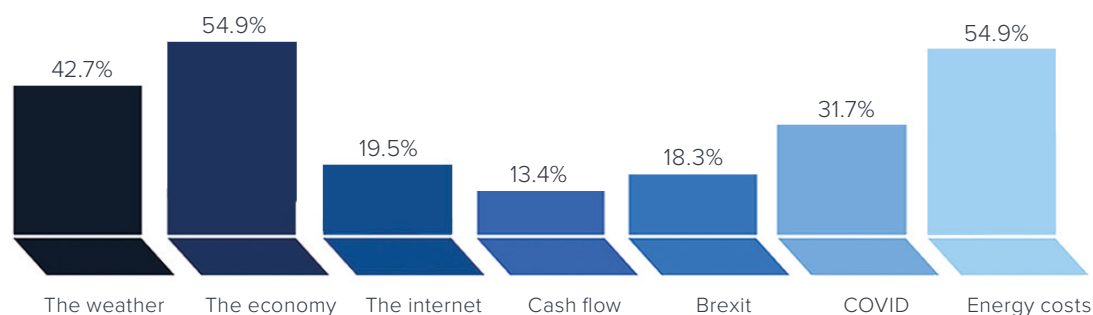
Against such a background it is a tribute to the strength of our industry and the people working in it that so many businesses found 2022 as good a year as they did.



## Was 2022 a good year for the Wet Leisure Industry?

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



Last year, Covid scored 88% on this question. This year it scores 32%.

Last year BREXIT scored 33%. This year, it's 19%.

It just goes to show, whatever crisis you think you are facing, the future has something new waiting around the corner to come along and overshadow it.

This is the first time Energy Costs has been an option on this list and it scores over 54%.

Of course, not all of the things that have influenced a business over the course of a year will fall under these neat headings and so we give respondents the opportunity to add their own comments.

*“Still busy from Covid and the clientele have money so it hasn’t effected them.”*

*“Energy costs will become a factor but the past season was unaffected.”*

*“Energy increases at first had little impact, when Liz Truss announced the 2 year fix on energy costs, the market showed signs of recovery, however when that decision was reversed, that had a very negative impact on consumer demand for all electrical appliances which we are yet to see any signs of recovery.”*

*“Material supply plus on going increase in materials.”*

*“It was our busiest & most profitable year to date!”*



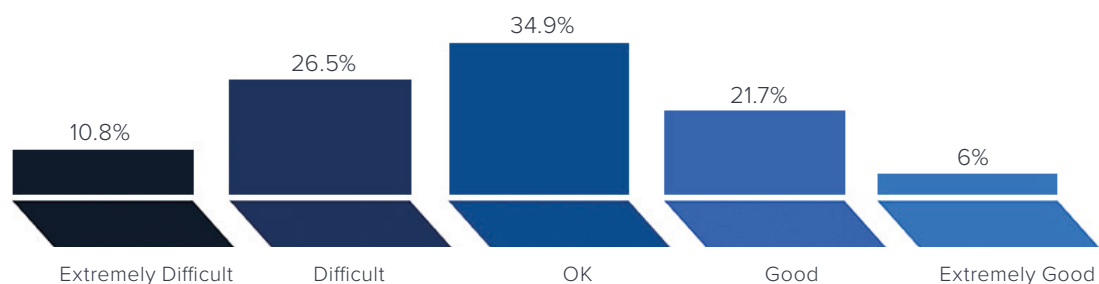
## Was 2022 a good year for the Wet Leisure Industry?

*“We knew there would be a post Covid correction on sales and that the exceptional highs of previous years was artificial but the slowdown was quicker and deeper than expected as a result of the war in Ukraine the knock on effects it has on the cost of living. Musical chairs for the position of Prime Minister haven’t helped much either.”*

*“Although there was good weather, which had a positive impact, we had a hose pipe ban which impacted pool and hot tub use. Drop in hot tub sales in the second half of the year due to energy cost concerns.”*

*“The internet selling at virtual cost is a huge headache, year on year.”*

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



They say that as a nation we are all of us concerned for the future, anxious about what tomorrow has in store. It seems our industry feels that way too.

Spiralling energy costs are a given and where as they provide an opportunity for sustainable and energy saving products they will impact badly on the industry as a whole.

The climate crisis is likely to continue to bring us unusual weather events, such as hot, wet summers, flooding and hosepipe bans when what we are looking for is the idealised warm and sunny summers of our youth. ('76 for preference)

As foreign travel opens up again, the staycation may loose its popularity. Even if it doesn't, there is some evidence to suggest that anyone who wants to buy a hot tub bought one last year. The problem they have now is that they can't afford to turn it on.

BREXIT. Let's not forget BREXIT. And Covid. There are roughly 2 million cases of Covid in the population.

Other possibilities are...

## Was 2022 a good year for the Wet Leisure Industry?

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*“Economic and energy. Economic turbulence.”*

*“Lack of consumer confidence and high energy costs automatically reducing demand.”*

*“Customers becoming more aware of running/heating costs.”*

*“Availability of stock, cost of certain products.”*

*“Running costs, cheap product failure over new and quality products. Heating costs.”*

*“Rising cost of living, both in terms of increased costs to our business and decreased sales.”*

*Consumer confidence is low.”*

*“Energy bills, internet sales, shortage of skilled staff.”*

*“Without doubt, energy costs combined with a squeeze on the costs of living which erode consumers disposable income will present the biggest barrier to sales of hot tubs in 2023. As well as the reduction in demand, we have to battle the negative perception consumers have of hot tubs due to the flooding of poorly insulated hot tubs on the market during Covid that have created some horror stories on social media owners groups.”*

*“Consumers being unable to afford our goods and services.”*

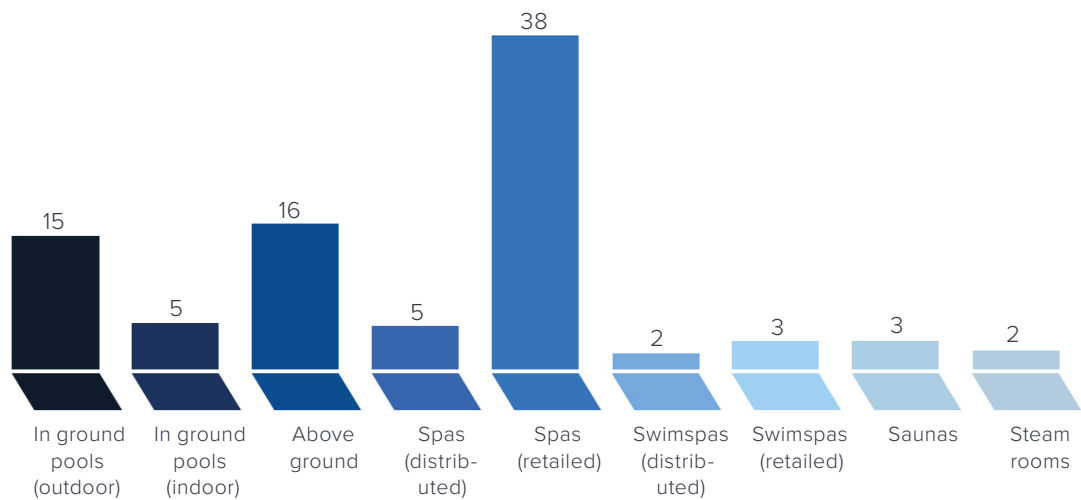
*“Rising energy costs although the top end customers probably won’t be affected.”*

*“Having enough staff to undertake the work!”*

*“Top end products seem unaffected by the downturn which is good but the challenge is to maintain sales middle ground where volume is important.”*

# Was 2022 a good year for the Wet Leisure Industry?

During 2022, 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 shows outdoor in-ground pools have almost doubled since last year with 675 installations compared to 382 in 2021. The numbers of indoor pools and above ground installations have also increased quite dramatically.

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Spas, on the other hand, have slowly been tailing off.

In 2020 the survey reported sales of 5,661 hot tubs. In 2021 that was down to 3,248 and this year they are down to 1,498.

Once again, let us stress that these aren't industry wide sales figures but the numbers reported by those businesses that responded to the survey. Having said that, a trend is a trend and when it is so pronounced as this one we can be sure it reflects, in broad terms, what is happening in the industry.

People have spoken of the hot tub market being saturated – people who want a hot tub have already bought a hot tub – and that spas are the wet leisure sector most affected by the increase in energy costs.

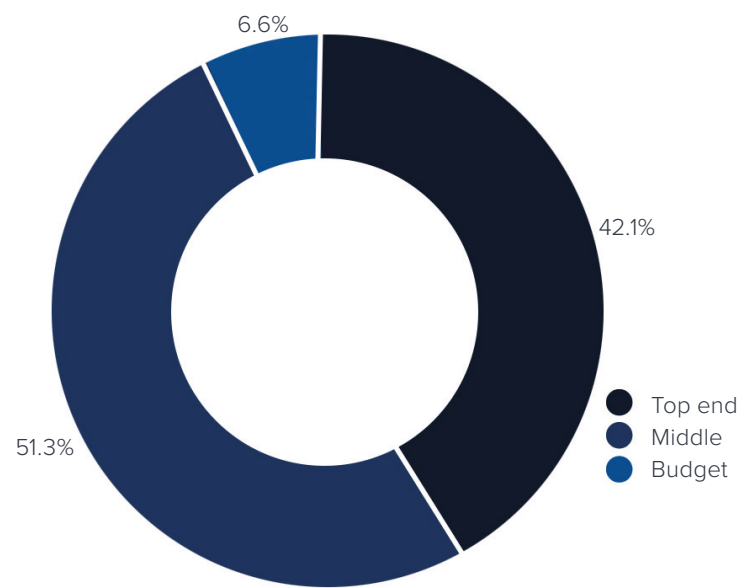
These figures appear to support that view of the market.

# Was 2022 a good year for the Wet Leisure Industry?

What of course that does mean is that there is a huge stock of spas in the UK that people would use more if they could reduce heating bills. Thermal covers and heat pumps are the obvious choices but just think, this is such a worldwide phenomena that there must be hundreds of inventors and entrepreneurs looking to find solutions to the problem.

Saunas and steam rooms have also shown healthy growth over the year.

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



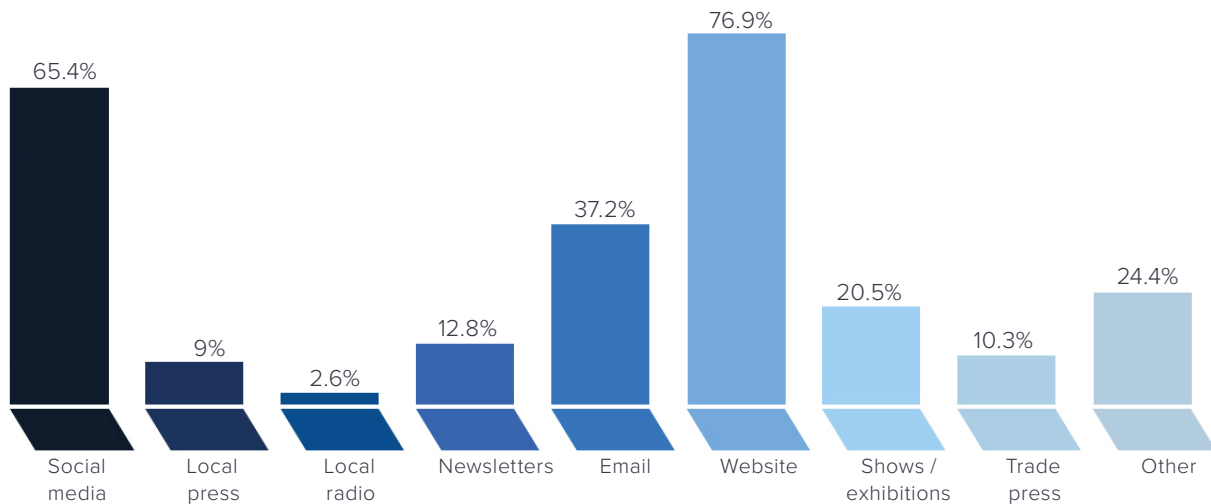
The present financial climate appears to have left the rich relatively unscathed while making life very difficult for people on lower incomes, for people with less disposable income.

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



## What trends do we see in the industry?

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



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

These channels are being used by everyone therefore it takes a degree of skill to stand out from the competition. Your website has to be easier to find on Google and other search engines and must be more persuasive, informative and attractive when people get there. Your social media presence has to be more engaging and you have to dedicate more time to responding to enquiries and questions. Your emails have to be better written and more useful to their recipients.

We live in a world where everyone who works in business, works in marketing that business.

The secret to great marketing is to understand your customers and to understand what they are looking for. You need to get the right sales message in front of the right person.

With the increase in e-commerce and the apparent supremacy of digital marketing it's easy to believe that all your marketing efforts should take place on the web. That isn't necessarily true.

We asked respondents what marketing they felt worked best for them.

*“Google search Yel.com”*

*“Website including Google ad-words gives wide coverage. Referrals - people referred by friends are more likely to buy.”*

## What trends do we see in the industry?

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*“Word of mouth - people buy from people.”*

*“Promotional items - clothing / vehicles Word of mouth and the length of time we have been around (54 years) Vehicle advertising is best.”*

*“Word of mouth.”*

*“Social media + regular mail shots to existing customer base.”*

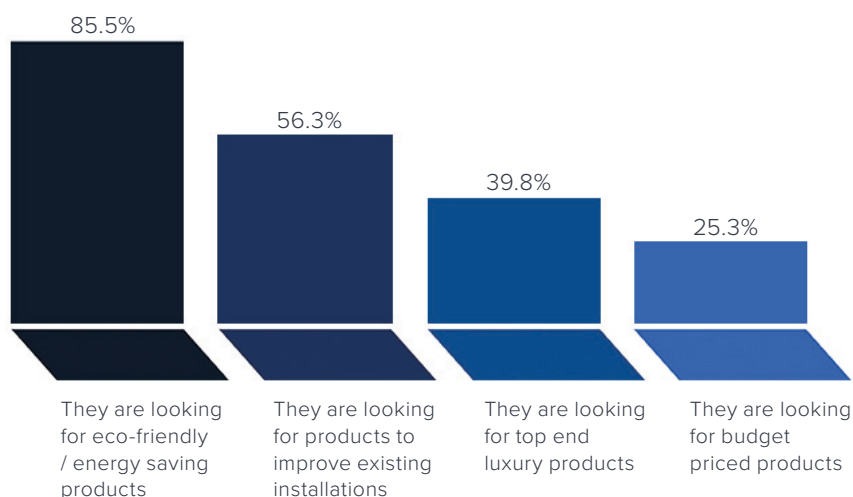
*“I’ve been in business nearly 40 years and word of mouth is the best form of advertising.”*

*“Facebook. It allows my business to grow organically without expensive advertising campaigns.”*

*“Direct marketing (emails) with existing customers draws some of the best returns to marketing efforts. Customers who have already purchased from you are likely to continue adding to their purchases with you.”*

*“Social media & Google - Customers are more engaged, they’re also checking out reviews more.”*

### Which of these market trends are your customers following?



It's no surprise to find that energy saving products dominate this chart this year.

Many of those products will be retrofit and might be either budget or top end.

*“With sky rocketing costs, energy efficiency is a hot topic and we work hard on providing innovative solutions to the reduction of heating and running costs for the consumer.”*

## What trends do we see in the industry?

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Customers might be motivated by wanting to save money or save the planet but the demand for energy saving products is high and seems likely to grow, Energy saving is set to become the hot topic in the wet leisure industry for years to come.

### Spas and hot tubs.

In terms of sales, spas and hot tubs are where the volume is in the wet leisure market.

The hot dry summer of 2020 combined with the travel restrictions brought about by Covid and the unspent cash from furloughed workers and un-taken overseas holidays brought spa and hot tub sales to their absolute peak. It was never likely that these conditions would repeat themselves and, indeed, they haven't. Spa sales have been in decline ever since.

From a reported high in the Wet leisure Industry Survey 2020 of 5,661 units this year's survey records just 1,498.

Market saturation and wetter summers have had a negative impact on hot tub sales but it must surely be spiralling energy costs that are killing sales now and it seems unlikely that the price of energy is going to come down significantly in the near future. In fact, it may well get worse.

Hot tubs remain highly popular in the leisure market with holiday parks and holiday rentals seeing the hot tub as a must have feature. Now we must just find a way for park owners and cottage letters to be able to afford to let their guests run the spas and enjoy them.

*“The entry and mid market of the hot tub industry has completely collapsed, but the high end, well built hot tubs and swimspas are remaining consistent with previous years as consumers are now finally asking the right questions when looking at investing into the hot tub or swimspa market.”*

### Swimming pools.

We have seen significant growth in all areas of pool construction this year, from above ground pools to indoor and basement pools, swimming pools are the success story of the year so lets take a look at the businesses that install high numbers of pools for their clients.

Firstly, 50% of these pool specialists operate in the South East and almost 70% of them employ 10 or more staff.

50% of their clients are domestic, the rest being a mix of commercial and domestic. They concentrate on installation doing far less service and repair work than the survey average. They found 2022 Good or Extremely Good in terms of business. The general state of the economy has affected them far more than

## What trends do we see in the industry?

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BREXIT, Covid or even Energy Costs.

Most of their business is at the top end of the market and their marketing efforts are almost purely digital.

More than half their jobs are new builds.

Even in this more affluent sector of the market, energy saving products and technologies are highly sought after.

### **Sauna and steam.**

The respondents who have sauna and steam businesses that are performing well above the survey average are divided equally between the South East and the South West. They all employ ten or more staff. They all work with a mixture of both domestic and commercial clients.

For those businesses that specialised in sauna and steam, 2022 was a very good year for business. They appear to have escaped the impact of Covid, BREXIT and Energy Costs but I'm sorry to say, they don't explain how.

They do half of their business at the top end of the market.

They mostly use social media and their website for marketing – plus word of mouth, of course.

And they are extremely confident about next year.

What sort of business shows most confidence in the future?

Less than 10% of the survey respondents expect next year to be an Extremely Good year for business.

It's interesting to look at what sets them apart from the rest of the respondents.

These, most confident, businesses are:

- Based in the South East or South West.
- None of them have a purely domestic customer base. In fact they do more than the average amount of commercial work.
- According to their responses, they claim to have been completely unaffected by BREXIT, Covid or Energy Costs.
- They installed a lot of pools and saunas and hardly any spas.



## Breakdown by region.

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- 80% of their business was neither budget nor top end but in the middle of the market.
- They have seen enormous growth in sauna and steam.

What sort of business shows least confidence in the future?

Slightly more than 10% of the survey respondents expect next year to be an Extremely Difficult year for business.

If we look at what sets them apart from the rest of the respondents we see businesses that are...

- Based in the Midlands or the South West.
- Smaller businesses in terms of staff numbers.
- Predominantly they are in the spa and hot tub sector.
- Mostly domestic customers.
- Their businesses have already been hit hard by rising energy costs.

## Breakdown by region:

### South East

37% of respondents operate in the South East.

This year, these businesses are a little smaller than the survey norm.

They are active in the pool sector and strong on service and repairs.

87% of them felt the year was 'OK' or better. They installed a lot of pools and a lot of spas. However they are sceptical as to how business conditions will shape up next year.

### South West.

25% of respondents operate in the South West.

There are more smaller businesses in the South West with 57% of respondents employing 5 staff or less although this is a decrease on the 2021 figure of 65%.

A big proportion of the survey's above ground pools are installed in the South West and well over half of

## Breakdown by region.

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those jobs are top end. Hot tub sales have fallen this year.

Sauna and steam are a growing sector for many of the businesses in the region.

### Midlands.

22% of respondents operate in the Midlands.

Spas and hot tubs tend to dominate the market in this region. As such, energy costs have had a big influence on business and lowered performance this year and business expectations for next year

### North.

10% of respondents operate in the North.

Businesses in the North tend to be smaller than the Survey average with over 80% employing less than 10 people.

Hot tub sales have always been high in the North but this year has shown growth in pools and saunas as well.

Energy cost increases hit the North hard and respondents expect business to be difficult next year.

### 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. We would like to thank the businesses in the region that did respon

### Ireland.

There were no responses from Ireland this year.

### Wales.

Almost 5% of the survey respondents operate in Wales.

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

It would be wrong to attempt to draw any conclusions or insights from such a small sample. We would like to thank the businesses in the region that did respond.

## In Conclusion.

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### In conclusion.

World events have had an influence on our industry that has been greater and more rapid than any that have come before.

The wet leisure industry is changing and it is clear to see the world events that have changed it. We can see cause and effect quite clearly. Although many of these changes are challenging, the fact that we can see what has caused them allows us to make better business decisions in the ways that we choose to react to them.

For instance, The energy crisis has been building up over the past year, as increased demand during the post-Covid reopening of economies coincided with Russia's invasion of Ukraine and a subsequent squeeze on gas supplies into Europe. Consequently, a steep rise in the wholesale price of gas has driven up energy costs.

By looking at the causes, we can form an opinion on the scale of the energy crisis next year and how it will affect business. Are there sectors of the industry to move out of? Are there technologies and products to focus on?

Giving you this information and insight has always been the aim of the Wet Leisure Survey.

We hope you find this report to be useful and that you can use it to help steer your business successfully through these interesting times.

### And finally.

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 2022 is available to everyone at SPATEX and the digital report is available for download at Golden Coast's website, [www.goldenc.com](http://www.goldenc.com), This year's report as well as all previous years can be viewed online at [www.wetleisure.com](http://www.wetleisure.com).

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

