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BRAND NEW DAY

THE ECONOMIC DOWNTURN HAS MADE MOST CUSTOMERS MORE PRUDENT, TRY FOCUSING ON RELATIONSHIPS INSTEAD OF REVENUE

BY MATT ALDERTON



In pool parlance, one might call the Great Recession the business equivalent of a belly flop: unintentional, unavoidable and really, really painful.

Just ask Marcus Sheridan, co-owner of *River Pools & Spas* in Warsaw, Va. When the U.S. economy turned in 2008, customers who had wanted pools began pulling their deposits en masse. "Sales really dropped, and by the beginning of 2009 I thought we were going to go out of business," he says.

Luckily, Sheridan had an idea. At the time, he was reading about "inbound marketing," which is the practice of creating content—for example, articles, blogs, podcasts, videos, etc.—that attracts interested customers to one's sales pipeline.

"The way I understood it was, if I teach people about what I do and answer their questions, I'll be blessed [with new customers]. So, that's what I did," says Sheridan, who started a blog where he's since answered hundreds of customers' most common questions. "We answered every single question we'd been asked over the years. Each question was a new blog post. Within a year things exploded, and today we're one of the most trafficked swimming pool builder websites in the world."

AN ONLINE MARKETING STRATEGY

Along with YouTube videos that have garnered more than a million views, the blog was part of a long-term evolution of the *River Pools & Spas* brand. When it started in 2001, the company sold everything from aboveground and inground pools to hot tubs, tanning beds and pool tables. Later, it focused exclusively on selling fiberglass pools. Finally, thanks to its inbound marketing success, it decided not to "sell" at all, but rather teach. "Our first brand was, 'We're a Jack of all trades, master of none,'" explains Sheridan, who now travels the country teaching other pool professionals the strategies he used to turn his business around. "Our second brand was, 'We build fiberglass swimming pools.' Our third brand was, 'We teach about fiberglass swimming pools better than anyone else in the world, and we also happen to install them.'"

Its new brand generates a seemingly unlimited supply of sales leads—even though *River Pools & Spas* is priced an average of 10 to 15 percent higher than its competitors. "People fall in love with our content, and with the teachers of that content," Sheridan says. "Price is always going to be a factor, but we develop a relationship with an individual in such a way that they stop focusing so much on price because they can't imagine getting their pool from anyone else."

What *River Pools & Spas* has learned, pool and spa professionals everywhere are discovering: selling pools and hot tubs today requires branding that's a little lighter on sales and heavier on service.

ECONOMIES OF SALE



The shift from sales to service in the pool and spa industry reflects economic trends, according to Doug Harrison, managing director of Harrison Group, a strategic research consultancy that recently was acquired by market research firm YouGov. In research Harrison conducted for APSP, he concluded that upper-income households—those with an annual income of \$100,000 or more—are increasingly operating in their own "micro-economy."

"The top 20 percent [of earners] control 80 percent of the assets in this country and account for more than 50 percent of the spending," explains Harrison, who says high-income families are becoming increasingly detached from the rest of society because they're doing well, even though their

neighbors may not be. "While they see the rest of the world struggling, they're quietly grateful about what's been happening for them."

Harrison's research found that consumers in this group have been saving cash at an average rate of \$35,000 per year for the past five to six years.

"The economic strength of this class has grown, and so has their confidence," Harrison says. "So, you're now looking at a buyer who—far more than a few years ago—is both able and willing to spend money on pools and hot tubs."

THE BUFFETT RULE

For those who've gotten used to cash-strapped customers, the micro-economy represents a significant sales-floor shift away from price and toward value. In fact, the number of "worth-driven" shoppers—those who buy products and services based on quality, craftsmanship and service, as opposed to price—has doubled over the past two years and now represents 40 to 45 percent of the U.S. population, according to Harrison.

"[Consumers] are increasingly getting more comfortable with major purchases if they can justify them as something that's meaningful and valuable in their life," he says.

Selling "worth" requires a right-brained approach, according to Steve Jones, author of *Brand Like a Rock Star: Lessons from Rock 'n' Roll to Make Your Business Rich and Famous*. "The heart buys; the mind justifies," he says. "Trying to convince someone that the engine on a Porsche is better than the engine on a BMW is very difficult because most of us just don't know that much or care that much about the nuances of an engine. But there are other, more powerful ways that both of those brands have distinguished themselves through nothing to do with cubic centimeters or cylinders."

APPEAL TO CUSTOMERS' EMOTIONS

In other words, selling to worth-driven buyers requires appealing to emotions instead of logic and promoting benefits instead of features. "All of us can live without a pool or hot tub, but can any of us live without the benefits of a pool or hot tub?" asks Jones, who points out the therapeutic and romantic benefits of hot tubs, and the familial benefits of pools. "If you can make me feel like, 'If I get that pool, my kids are more likely to stay home and bring their friends over here, and I'll know they're not wandering the streets and getting into trouble,' that becomes a more powerful reason to buy than 'it's on sale right now' or 'financing rates have never been lower.'"

One might call it the Buffett rule—as in Jimmy, not Warren. "Here's a guy who had only one hit song with 'Margaritaville,' and yet he's one of the most financially successful rock-and-roll stars ever," Jones says. "He is that because he sells his customers an experience, and that experience is the beach bum, not-a-care-in-the-world lifestyle. Tens of thousands of people travel and tailgate every summer to be part of that experience."

THE BRAND EXPERIENCE

To create—and sell—an emotional experience, Jimmy Buffett, the man, built "Jimmy Buffett" the brand. Pool and spa professionals can adopt a similar, brand-based approach. "A brand is the emotional reaction a customer has when exposed to a company or product," Jones explains. "Your brand is everything."

Because it's what consumers think of you, your brand lives inside the customer, not the company. And yet, your business can influence its brand by creating an experience that communicates its values—for instance, integrity, innovation, service, quality, etc.—consistently at every customer touch point.

"Every day, every week, every month you've got to plant seeds, and then you've got to water them; eventually, they'll grow," says former pool builder Lewis "Buzz" Ghiz, president of Chandler, Arizona-based *Paramount Pool & Spa Systems*, a swimming pool parts manufacturer that specializes in in-floor cleaning systems. During the downturn, his company continued to grow thanks to its brand promise of exceptional customer service. "We built market share through building a brand and a culture that exceeds client expectations."

To build a brand like Paramount's, you must infuse it into every aspect of your business, including:

- **Sales and marketing:** Jones recommends storytelling—or rather, "storyselling"—as a go-to sales and marketing strategy. "Instead of sharing facts and figures about pumps and jets, tell the story of what your product can do for the customer's life," he says. "Share stories about how much closer your family is [because it has a pool or hot tub], and how your yard has become the gathering place for friends and neighbors in the summer. That's far more powerful than explaining to someone the fact that your filtration is more efficient than the competitor down the street."

Harrison says "storyselling" is especially powerful online. Pool builders, for instance, can post photos of their builds on Facebook, inviting customers' friends and family to watch the process. Retailers, meanwhile, could ask satisfied customers to post their own stories and photos in order to show prospects how other families are enjoying their investment.

- **Customer service:** Paramount Pool & Spa Systems treats its distributors like members of a club. Their "membership" includes benefits such as advertising collateral, construction tips and checklists, end-user financing and even health insurance. "It's very hard for our clients to walk away from us because we're not just selling them a product," says Ghiz, who recommends offering value-added services and content, above and beyond customers' initial purchase, whether it's recipes for their next pool party or automatic service reminders for their hot tub.

- **Showroom environment:** A company's brand should permeate its physical space, according to Jones, who notes Starbucks—known for its homey atmosphere, eclectic music and caffeinated aromas—as a prime example. "It has to be a 360-degree experience."

In his research, Harrison found that hot tub showrooms, in particular, could benefit from being cleaner, brighter and better organized.

Additionally, opportunities exist to integrate into

showrooms new technology—for instance, QR codes, tablets and video monitors—and partner products, such as complementary backyard items that could help customers visualize the complete pool or hot tub lifestyle.

THE NEW CONSUMER

No matter what your brand, it's plain to see: Although they're ready to buy, consumers have changed—and they expect you to change, too. "If you really want to change people's opinions about [pools and hot tubs] you need to change at least three different variables [in your business] in order to break through pre-established perceptions," Harrison concludes.

In other words, a new advertisement alone won't attract new customers. Combined with a few fundamental changes in your brand, however, there is enormous potential to build long-term relationships that yield new sales—today, tomorrow and for years to come.

VISIT THE POOL [MARKETING SITE]



APSP-sponsored research shows that today's pool and hot tub prospects begin their shopping with an online search to help determine which dealers to visit. Internet marketing, therefore, should be a critical ingredient in your brand strategy.

To make it easier and more affordable to establish an effective web presence, APSP has partnered with Houston-based digital marketing agency Small Screen Producer.

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