**Outdoor Living Market 2022**

**Riding a Wave of Success**

Swimming pool, hot tub and spa dealers and builders have been enjoying a robust market since people had to stay at home during summer 2020 and decided to upgrade their outdoor living spaces, which also include furniture, outdoor kitchens and grills.

Analysis of anecdotal comments in a June 2022 article in *Aqua* magazine reveals consumer demand for these products and services has moderated. Many dealers and builders agree a combination of more travel and clearing the backlog of projects are the primary factors.

Inflation and the chaotic housing market are also contributing. Many dealers and builders report fewer leads, especially those serving customers with low- to middle-household incomes. Project leads from more affluent customers haven’t changed much.

**How Surveyed Pool and Spa Retailers Feel**

**About the Future of Their Business, 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Outlook | 2018 | 2019 | 2020 | 2021 |
| Very comfortable | 51% | 55% | 57% | 43% |
| Doing OK | 41% | 40% | 21% | 26% |
| Anxious about 2022 | 5% | 3% | 20% | 30% |
| Looking to leave business | 3% | 2% | 2% | 2% |

*Aqua*, May 2022 (color represents change from the previous year in each category)

**Supply and Labor Shortages Hinder Progress**

At the risk of sounding like a broken record, dealers and builders in this industry are facing the same supply-chain and labor issues as most other retail and other business sectors. Half of the retailers said chlorine was difficult to find, but they were able to find sufficient supply.

On the labor front, 40% of retailers surveyed for *Aqua*’s 2022 State of Industry Retail Report said their labor challenges are worse than before the pandemic as many potential workers have left their jobs and retailers haven’t been to attract them to return.

Despite those challenges, retailers with gross revenues of $250,000–$500,000, $2.5 million–$5 million and more than $5 million said their 2021 revenues exceed 2018, 2019 and 2020. 70% of retailers said their businesses are stronger than before the pandemic.

**Surveyed Pool and Spa Companies’ Best Sources for New Hires, 2022**

|  |  |
| --- | --- |
| Source | Percent |
| Personal referrals | 54% |
| LinkedIn, Indeed, etc. | 15% |
| Hiring agency, current seasonal worker to full-time, from competition | 9% |
| A traditional want ad | 8% |
| Immediately recruiting a perceived good candidate | 7% |

*Aqua*, May 2022

**Builders/Contractors Remain Optimistic**

Although pool builders/contractors have experienced supply-chain and labor issues, more than 80% were optimistic (40%) or cautiously optimistic (44%) about pool demand, according to *Aqua* magazine’s 2022 State of the Industry Builders Report.

The largest percentage (25%) of the surveyed builders said their backlogs of pools to build were 9–12 months and 16% 6–9 months and 12–18 months, another good trend for the 2022 season.

Of those surveyed, 45% think some of the changes the pandemic caused will become permanent and 37% said they were charging for services, such as pool design, which they previously provided at no cost.

**How Much More Pool Builders/Contractors Have**

**Had to Pay for Materials, Components and Equipment\*, 2022**

|  |  |
| --- | --- |
| Range of Increase | Percent |
| 0%–10% | 4% |
| 10%–20% | 31% |
| 20%–30% | 45% |
| 30%–50% | 13% |
| More than 50% | 5% |

*Aqua*, May 2022 \*labor not included

**Hot Tub Sales Remain Hot**

Of the hot tub retailers responding to the survey for *Aqua* magazine’s 2022 State of the Industry Hot Tub Report, 41% said the first reason customers bought a hot tub was as a staycation item, indicating there is still great interest in improved outdoor living.

Hot tub retailers said their portable spa sales increased 71% during 2021, compared to a 15% decrease. Although not quite as robust as the 87% increase during 2020, a record year, 2021 sales were 12 percentage points more than the 59% for 2019.

The excellent year most hot tub retailers experienced during 2021 is also evident by the 39% (the most) who said they sold 250 or more hot tubs, compared to 28% who sold 0 to 50 and 12% who sold 100 to 150.

**Hot Tub Customers’ Interest in Accessories**

**to Personalize Their Hot Tub Experience, 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| Accessory | Percent | Accessory | Percent |
| #1: Spa steps (tie) | 85% | #7: Surrounds/Enclosures (tie) | 26% |
| #1: Cover lifters (tie) | 85% | #7: Safety lock (tie) | 26% |
| #3: Covers | 65% | #9: Storage | 24% |
| #4: Spa fragrances/conditioners | 56% | #10: Privacy screens | 21% |
| #5: Umbrellas/Canopies | 41% | #11: Other | 18% |
| #6: Towel racks | 30% |  |  |

*Aqua*, May 2022

**Demand for Service Is Strong**

According to *Aqua* magazine’s 2022 State of the Industry Service Report, 58% of surveyed providers said their 2021 business was great while 25% said revenues were average.

2021 revenues increased essentially as much as 2020, or 65% and 66%, respectively, but significantly fewer service providers said their revenues had decreased during 2021 than 2020, or 8% and 14%, respectively.

Supply-chain and labor issues also had negative impacts on these service providers. Slightly more than half (51%) had customers who switched to alternative sanitizing methods because of the chlorine shortage.

**Pool, Hot Tub and Spa Service Businesses’**

**Perspectives on the Consolidation of the Industry, 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| Perspective | Percent | Perspective | Percent |
| Stifling corporate rules and distant management decisions | 51% | Better career opportunities | 17% |
| Good, small companies will be swallowed | 41% | Better compensation for workers | 15% |
| Loss of humane, small company character | 33% | Worse compensation for workers | 14% |
| More professionalism, better reputation | 31% | Other | 20% |

*Aqua*, May 2022

**More Households Are Enjoying Outdoor Living**

Other sub-sectors of the Outdoor Living Market have also suffered from supply-chain issues. Nonetheless, Nationwide Marketing Group reports 2021 sales for the grills sub-sector increased 15% during 2021 and it forecasts a 9% increase for 2022.

Interestingly, gas grills were only popular with 57% of consumers, compared to 80% 10 years ago. Pellet grills have increased in popularity and will gain approximately a 22% share of the 2022 market, exceeding charcoal grills for the first time during the past 100 years.

According to the National Kitchen & Bath Association (NKBA), a majority (60%) of homeowners said they need an outdoor kitchen. Smokeless fire pits are popular and more outdoor furniture with the Bohemian Style (Boho) is being designed and purchased.

**More Valuable Insights**

According to *Aqua* magazine’s annual State of the Industry reports, the frantic pace of sales in this consumer vertical since 2020 has moderated. Fewer leads are coming from low- to middle-income households while project leads from more affluent customers haven’t changed much.

Analysis of data from The Media Audit’s 49-market 2021 Aggregate Report supports this trend. Four categories of affluent households who were planning to install a pool, hot tub or spa during the next 12 months over-indexed for heavy exposure to radio (180+ minutes during an average day).

* Affluent Baby Boomers with a household income of $250,000+ and various financial assets, such as stocks, savings and CDs – 118
* Affluent working women with a household income of $75,000+ – 112
* Young adults, 18–34, with a household income of $100,000+ – 105
* Affluent Full Nesters with a household income of $75,000+ and children at home – 103

*Sources:* *Aqua* Magazine Website, 7/22; Pool and Spa News Website, 7/22; TWICE Website, 7/22; The Media Audit Website, 7/22.

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**Local Market and Station Information**