



HOW TO DOUBLE YOUR PROFIT FOR EVERY HOT TUB SOLD

serumwatercare.com

For spa dealers, there are years when hot tubs are in greater-than-ever demand and profits soar. However, the most profitable hot tub dealers – those able to easily weather those years when spa sales are down – have strong revenue in other areas of their business. Chemical sales, in particular, are an excellent revenue generator for hot tub stores.

Many Hot Tub Serum[™] dealers prove that, by making those products a focus for their sales team, their stores enjoy greater profits. In fact, for Serum dealers, it's possible to *double their profit for every hot tub sold*.





THE PROBLEM

As Serum Dealer Stan Goodreau, President of Colorado Custom Spas, in Denver, CO, explains about the cycle that many spa dealers are stuck in, "They sell the hot tub. The customer loves them. And then they never hear from the customer again."

When that happens, the dealer misses out on the regular profits he should be seeing from the care and maintenance that's part of spa ownership. To top it off, when the customer relationship isn't being maintained, the consumer may not even return to that dealer for repairs or to purchase another hot tub down the road. All this results in lowering the potential lifetime profit of each hot tub sold.





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SOLUTIONS

There are several ways for spa dealers to achieve maximum lifetime profits from each hot tub they sell. :

Focus on chemical sales

- Gain customer trust and loyalty by proving themselves to be hot tub and water care experts who carry the best brands and have the most trustworthy knowledge and experience.
- Offer products that serve the customer well from the day the hot tub arrives at their home.
- Build sales on specialty products with higher profit margins.
- Turn customers into repeat buyers with:
 - Product lines that offer dealer exclusivity
 - Auto-Shipment Programs

These five points may seem like a lot to tackle, but simple changes – and focusing on the right products – spell big results.



SOLUTION #1 FOCUS ON CHEMICAL SALES

From the get-go, salespeople should be focused, not just on the initial spa sale, but on creating a loyal, ongoing customer relationship through chemical sales.

For Colorado Custom Spas, that determines the products they put into their starter kit with each hot tub sold. Their starter kits don't just come with the bare basics, like a bottle of chlorine, but also include specialty products and the best chemical brands – things the customer will return to them to purchase, like Hot Tub Serum. As Sam Gore, GM of Colorado Custom Spas, says, "During the sales process, we'll mention SERUM and the Total Cleanse system as part of a free upgrade that we're giving our clients to allay those concerns of difficult maintenance and having to be a chemist to maintain a hot tub."

It's an insurance policy. They get the customer started on high-end spa chemicals and many spa owners will continue as they started. Of course, if the consumer does happen to order lesser-quality products online, they're likely to see an obvious difference in water clarity and return to their dealer for the chemicals they started with. This is a strong combatant to the dreaded competition from online and big box stores.





SOLUTION #2 GAIN CUSTOMER TRUST & LOYALTY

Water chemistry can be challenging for spa owners, even experienced ones. For a hot tub dealer, demonstrating their expertise and knowledge about spas and water care is one of the best ways to earn their customers' trust and loyalty. It starts with a knowledgeable sales team, but it doesn't end with the initial sale.

For instance, many Serum dealers, including Goodreau and Andrea Reedy, Owner of The Place in Medina, OH, give a free 16 oz. bottle of Serum Total Maintenance to each new spa owner. Yes, Hot Tub Serum is a more expensive freebie to give away. But, including it in the starter kit, or giving it away at spa school, demonstrates to the consumer how vital of a product it is for water clarity.

Another way Reedy's store serves their customers while earning their loyalty is by hosting free spa school classes a few times each month, "teaching them about water balance, thoroughly showing them how to take care of their tub, and giving them pro tips (things that aren't in the owner's manual.)"

Additionally, free water testing, free friendly advice – all those "small" things spa dealers do to help new hot tub owners – pay off big when it comes to building the customer's trust.





SOLUTION #3 OFFER PRODUCTS THAT SERVE THE CUSTOMER WELL

As author Peter Drucker said, "Quality in a service or product is not what you put into it. It is what the customer gets out of it."

When growing chemical profits, the adage is still true. If there's nothing remarkable about the chemicals they purchased from their local spa dealer, why return to buy more?

Reedy says it perfectly:

"People contact me all the time wanting me to sell these different products. And some are just like water softeners at a very high price. They don't really give the client benefits. Somebody will come in and say "Yeah, but you'll make all this money off of it." If it's not giving added value to my clients, I'm not going to sell it. I'm not going to pitch that. I love buying directly (from Serum) because I found all my answers: exactly what the product was made out of, how it works, why it works."

With Serum products, dealers build their profits by selling chemicals they are proud to offer, their sales team is excited about, and that their customers absolutely love. There are real, tangible benefits to Serum products that the customer can actually see and understand.



Get It Clean. Keep It Clean. HOT TUB **SERUM** CLEANING KIT

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SOLUTION #4 BUILD SALES ON SPECIALTY PRODUCTS WITH HIGHER MARGINS

In today's world, where it often seems like quantity and a cheap price is valued over quality and longevity, some spa dealers may wonder if it pays to sell specialty hot tub chemicals with a higher price tag.

When asked about the price of Hot Tub Serum, Ed Konarske, Owner of Everything Hot Tubz in Englewood, CO had this to say:

"Is it too expensive for you or is it too expensive for the customer? Because it's not too expensive for the customer. The hot tub that the customer just paid 10,000 to 12,000 dollars for wasn't too expensive. So asking them for \$10 extra per month for a better product–for something that's going to help their tub last longer, and it's going to be easier, nearly 100 out of 100 people are going to choose to do that. People do not mind spending money on higher quality products. And that's really what this is. And it's really not even that much more. I don't agree that it's too expensive."



Gore has had a similar experience selling Serum.

He says that customer objections to the price are "simple to overcome. You've invested 10, 20, 30,000 dollars in something that's supposed to be a wellness product. To overcome a price objection is pretty simple. You get the peace of mind of a lifetime warranty. You get the peace of mind of knowing your water is safe and is not going to cause any sort of reaction."

Being a high-performing specialty product, Hot Tub Serum does come with a higher price tag for consumers.

It also has higher built-in margins for spa dealers. Konarske says, "Serum has been excellent for our bottom line. It's a higher margin than a hot tub. It's a higher margin than a lot of the other products we sell, even when we sell it (Serum) at a discount. And knowing that, I continue to add customers to it ... I'm essentially trying to make my company recession-proof."





SOLUTION #5 TURN CUSTOMERS INTO REPEAT BUYERS

The bond that spa dealers build with consumers by earning their trust goes far toward creating repeat loyal customers. The chemicals they sell make a big impact on customer retention, too.

As Goodreau says, "It's harder than it ever was before to prevent losing our customers to box stores or Amazon, so we're looking, we're seeking out ways to keep that bond there. Hot Tub Serum gives us another opportunity to create that bond and maintain that bond."

Hot Tub Serum is extremely effective for customers. To ensure they return to local spa dealers to re-purchase, Serum Watercare offers three major benefits for dealers: exclusivity, a Lifetime Jet Warranty, and an Auto-Ship Program.



EXCLUSIVITY

Depending on market share, Serum dealers have protected territories. As Gore says, "Serum protects markets for dealers so we don't have to compete with the guy down the street. This is unique for us. We are the ones that can solve your water care problems better than anyone else."

This exclusivity has been a big benefit for Goodreau's store as well. He says, "It's product differentiation. We're providing a different solution than people down the street. We have a protected territory which is very important."

Besides other local stores, dealers may worry that their customers are ordering their chemicals online. Across their entire product line, Serum allows only two products to be made available on Amazon: the 2oz Total Cleanse and 2-liter Total Maintenance. However, Serum MAP prices are higher than most dealers' retail prices. When customers search for the product online, they'll find they save money by purchasing from their local dealer. Other than those two SKUs, no other Serum products are available on Amazon maintaining the exclusive availability that allows Serum dealers to see large growth in their chemical sales.



AUTO-SHIP

The Auto-Ship Program is, I think, the Holy Grail that the hot tub industry, most dealers, are missing–that we had been missing for 20 years. - Stan Goodreau, President, Colorado Custom Spas.

One amazing selling point of Hot Tub Serum is that regularly using it gives spa owners a Lifetime Jet Warranty when they sign up for the Serum Auto-Ship Program. For Serum dealers, not only does this give their customers greater peace of mind about their purchase, but it's a selling tool that helps them sell more hot tubs. As Gore says:

"A customer hears horror stories of failed components and expensive maintenance. And you immediately address those concerns by saying, "This product is going to give you a lifetime warranty on your jets. Just by using this product." And I think that's probably the most powerful statement you can make with a product that's easily recognizable to a consumer. We sell more hot tubs due to the lifetime warranty Serum offers our clients – absolutely."

As many of the most successful Serum dealers have found, the autoship program has an added benefit for their bottom line. Not only do they benefit from the consistent Hot Tub Serum reorders, but it gives dealers an easy opportunity to sell more products. As Goodreau explains, **"For the lifetime jet warranty to be effective, the customer has to continue to use the product. Which means they're also continuing to buy other products from us as well: their sanitizers, pH adjusters, test strips, nets, you name it. So this is one more tool to help us stay in contact with those customers."**





To download our Auto-Ship Profit Projection spreadsheet, and plug in your own numbers to see how profitable Hot Tub Serum can be for your business, please <u>click here to access our Dealer Portal</u>. Once registered, choose Dealer Tools and then Auto-Ship Profit Projection Spreadsheet.

This constant contact equates to many more sales over the lifetime of that hot tub, making it reasonable for a dealer to expect to double their original profit from the initial sale. And all while helping their customers enjoy cleaner, healthier water!



DOUBLE YOUR PROFIT FOR EVERY HOT TUB SOLD



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