



# Sales Sight Unseen

## Tips for Selling in a Pandemic

### ***How to Best Ride the COVID Coaster? Insight into the Steep Plunge and Historic Rise of the 2020 Hot Tub and Swim Spa Industry.***

What caused the surge in consumer demand? Why unheard of production lead times? How long will this demand last? And, most importantly, how do I capture sales without displays? Unprecedented times, for sure!

When the panic started in mid-March with state shutdowns, we all kicked into survival mode. This would not bode well with the hot tub and swim spa industry, sales plummeted through April prompting staff layoffs and furloughs. And then.....

Sales grew dramatically, almost overnight. Citizens became homebound, looking for ways to relax and exercise and complete those home projects they never had time for. We always competed with the travel industry, and with everyone at home they wanted to feel more comfortable and had the money to spend. Orders came flooding in, changing lead times by the day. PDC Spas saw more orders in a month than all of the year prior, changing lead times from two weeks to over 10 in a matter of a week. With the wave of orders, we were and are adding a week of backlog every few days. Returning staff, hiring additional staff and securing raw materials was and is a challenge. Many factories closed for extended periods, including Mexico for an additional five weeks beyond US, these suppliers prohibit a smooth production transition.

For years, we struggled with product awareness and now, everyone wants one and we can't build them fast enough! But, what does the future hold? If COVID spikes again in the fall / winter months, demand will continue on the rise, or spike again, many industry pros say. Those who decided against a purchase due to the long wait times, will order now as production times will become standard in the industry. Once the travel industry recovers, possible in a year or two, there may be a decline in the surge, although the exposure our products are getting now will sustain demand. Bottom line, there was a wide demographic wanting a hot tub or swim spa and the pandemic matured that into a sale. Our industry has changed forever.



### ***Make Selling Fun, Comfortable and Profitable***

#### ***When You Have More Customers Than Displays***

Be patient. The entire industry has long lead times. More likely than not, that customer can not shop elsewhere for a faster delivery. Some manufacturers are not taking any new orders, others offering delivery in 2022. What you can do is sell yourself, your knowledge and personal relationship building. Be honest and upfront with your customers, "we are here to help and we care". Communicate often and be realistic in expectations. Listen to what the customer wants, not needs. Encourage them to visit the store, you can help them choose the product right for them and the longer they wait to order, the longer they wait for delivery.

Consider all the online sales. The internet customer never touches the product nor has a personal sales rep and we are talking thousands upon thousands of orders. You have one up on that sales model, promote yourself! Consider these tips to create a buying atmosphere, bringing that sale home.

1

Rearrange accessories, chemicals, marketing materials to fill in the empty spaces. Keep it clean and inviting with music and scents. Do not let the customer be ignored. They have ventured out in this pandemic to visit you, show them they are important. Have signage to excuse the showroom due to surge in orders; "Order Yours NOW for 2021!"

2

Have a display area / table for each brand or product you offer. Brochures, flyers, banners, signs, etc. detailing the brand and features. Everything in one place makes it easy for you and the customer. Have take away packets with necessary information to continue the consideration at home. Always get their info on the Wish List and follow thru! Contact PDC for display ideas.

3

Better yet, make it fun and social! Schedule a Movie Night. Send out invitations, use a large screen TV, or rent a projector, serve popcorn. Play the PDC Spas hot tub and swim spa video, loop it for continuous play as customers come and go. Video of the products and model details is the next best thing to the real unit. Offer a discount to attendees. Have plenty of staff on hand. If your region has crowd limits, have it multiple nights.

Your most effective advertising is word of mouth. Invite a few of your satisfied customers to mingle on Movie Night. Get quotes from them to use on follow-up advertising, and follow up!



November 17, 2020

To All Our Valued Retailers,

While life continues to remain a challenge on many levels, our industry has been blessed with a surge in demand and unprecedented growth for both hot tubs and swim spas. This is our time to shine delivering quality USA made products and support your customers deserve. We have to make it worth their wait, and the wait is considerable. Our suppliers, from components to raw materials, are doing their best to provide product, although the actual delivery time and quantity changes on a dime versus the purchase order and estimated arrival date. Production is a moving target here at PDC Spas as we alter schedules depending on the material received and what model / series we are able to complete. Please note, several competing manufacturers are not accepting any new PO's, while others have lead times in 2022. We also received notice Canadian manufacturers are shutdown again due to COVID.

So, how do you, our retailers, navigate thru meeting demand without displays? Making a 40 week lead time favorable? Here are a few ideas to keep you on the road of success, making this year and 2021 your best sales years ever!

- Review the Sales Sight Unseen newsletter highlighting invitation only events and how to build attractive displays offering information customers need to learn about features and use without the luxury of actually having the unit. Let them know waiting will not be the answer if they actually want a hot tub or swim spa in their backyard next year. Our production lead times continue to grow weekly. The longer they wait to order, the longer they wait for delivery.
- Consider your pricing. Retailer pricing will be the price current at time of delivery. Be SURE you have ample profit in all orders taken now to cover for possible increases over the following months. What will that increase be—it is our best guess only! Raw materials will increase and trucking is of major concern adding to materials and component cost. Consumers in this market are most interested in simply getting the product. We are seeing fewer shoppers comparing price, not focusing on discounts or promotions, with delivery date being top of mind. As possible price increases become inevitable at PDC, communication will be immediate with our retailers.
- It is imperative as units come off the production line retailers take delivery. Warehouse space is at a premium and thousands of customers are waiting patiently for their orders to be delivered, not to sit in storage. You will find this timeline in the email notifying you of your order completion date. Retailers are required to pay and take delivery within 5 business days from that completion date. Should the unit not be claimed in the following 7 days, the product will be assigned to the next customer in line. Retailer will forfeit any deposit. Should there be an order placed for replacement, that order will be entered in the production queue as a new order.
- Retailers may ask, if my customer can not take delivery due to finances, weather, etc., and they still want the order, what is the best scenario? Take the unit! Pay for it and take delivery as opposed to waiting another 40 weeks! Let your customer know you have their unit, use it for display until they are ready. It is a win-win situation. The retailer gains respect from their customer as acting responsible on their behalf and now, there is a unit on display you can sell from. Call those prospects, invite them to the showroom and get the sale.

A handwritten signature in black ink that reads "David R. Rolley". The signature is written in a cursive, flowing style.

Thank you for your patience and understanding as together we meet the needs of our customers with the product and support we pride ourselves in.