Summary of results

STUDY BASE
SPANISH SWIMMING POOL SECTOR

Barcelona, June 2009

CONTENTS

INTRODUCTION AND METHODOLOGY

The pool industry is very important in Spain. However, it had a deficit in the lack of statistical information and it requires a complete, thorough and reliable study of the Spanish market identifying the volume of the market, enterprise structure, profile and purchasing habits of consumers, and factors affecting the market future trends.

To respond to these needs, the industry associations together with the EXPO Fira de Barcelona, decided the basis of **A BASIC STUDY OF THE SPAINISH SWIMMING POOL SECTOR**, and commissioned the market research, to the consultancy Market AAD, with the mission of becoming <u>the tool of reference for pool industry knowledge</u>. The study was carried out using the following steps:

1. **QUALITATIVE ANALYSIS OF THE MARKET:**
In-depth interviews and meetings with professionals representing all profiles of the industry.

2. **QUANTITATIVE ANALYSIS OF ENTERPRISES:**
Collection and analysis of information from the professional sector of the pool at the national level through a self-administered questionnaire to <u>manufacturers and distributors</u>: 44 and <u>builders swimming pools</u>: 59

3. **QUANTITATIVE ANALYSIS BUYERS:**
Broad quantitative study based on structured telephone interviews with a representative sample of the public. Differentiating: Pool <u>Owners :</u> 400; <u>People without interest in a pool</u>: 374; and <u>Potential Buyers</u> : 98.

With a total of 7934 calls made to the population

RESULTS

PRIVATE FAMILY POOLS

SPAIN	Number dwellings	Detection rate pools PENETRATION	Extrapolation Number of pools
AREA 1: CATALUNYA	4.131.018	5,26%	198.650
AREA 2: BALEARES	592.369	9,56%	51.772
AREA 3: LEVANTE	3.560.163	4,30%	139.954
AREA 4: SUR	4.367.097	6,69%	267.095
AREA 5: MADRID	3.143.807	4,54%	130.484
AREA 6: CENTRO	5.018.892	3,35%	153.709
AREA 7: NORTE	3.699.989	4,54%	153.569
AREA 8: CANARIAS	986.665	1,91	17.229
TOTAL	**25.500.000**	**4,77%**	**1.112.000**

All results have a margin of error ±1.41% for level national, ±4.00% by area*

Housing stock according to recent figures of Bank Spain and the Ministry of Housing

Penetration rates detected in this study, about quantitative and customers.

We can conclude that the number of pools in Spain is:

1.112.000

Correction factor taking in account issues such as vacant housing, growth units official protection, and so on.

RESULTS

VALUES, MOTIVATIONS AND CHECKS

Core VALUES mentioned by those who have a pool

- **Family enjoyment: 68,0%**
- **Play with children: 38,6%**
- **To refresh: 33,4%**
- **Wellness/Health: 17,7%**
- **Exercise practice: 16,0%**
- **Home added value: 6,3%**
- **Beautify the garden: 5,4%**

Base: 400

Principal MOTIVATIONS mentioned by those who want a pool

- **Family enjoyment: 46,7%**
- **Play with children: 33,3%**
- **To refresh: 30,0%**
- **Exercise practice: 26,7%**
- **Wellness/Health: 20,0%**
- **Home added value: 6,7%**
- **Beautify the garden: 6,7%**

Base: 98

Main justifications mentioned by those who do not want a pool

- **Too expensive: 36,2%**
- **Use the sea/others: 27,8%**
- **Costly and hard work: 18,2%**
- **Use friends pools : 13,2%**
- **Do not like swimming: 7,0%**
- **Family situation: 6,5%**
- **Too much risk: 2,6%**

Base: 374

The above figures, show us how the attributes related to recreation (**Family enjoyment, childrens games, refresh**) are the core **values** and **motivations** for the pool. Followed by **exercise** and the attributes associated with **welfare and health.**

The major **disincentive**, are related with the **price** and **cost of maintenance**, and **the explotation of the sea** or **nearby swimming pools.**

It should be considered that although the **price** is the main obstacle, **its only** mentioned by **36,2%** of interviewees. This represents a great opportunity for the Industry

RESULTS

TRENDS OF PRODUCT

MAJOR DEMANDS ASSOCIATED WITH THE PRODUCT WELLNESS

We have previously seen that the aspects of health and welfare are one of the main motivations for purchase by the users. These aspects seems to be gaining weight every day in the mind of the consumer.

POOL ► **WELFARE** ✓ **HEALTH** ✓

RESULTS

TRENDS OF PRODUCT

MORE ACCESSORIES FOR THE POOL

Currently there is a **wide range of products** for the pool that **the sector should reach out to the consumers**.

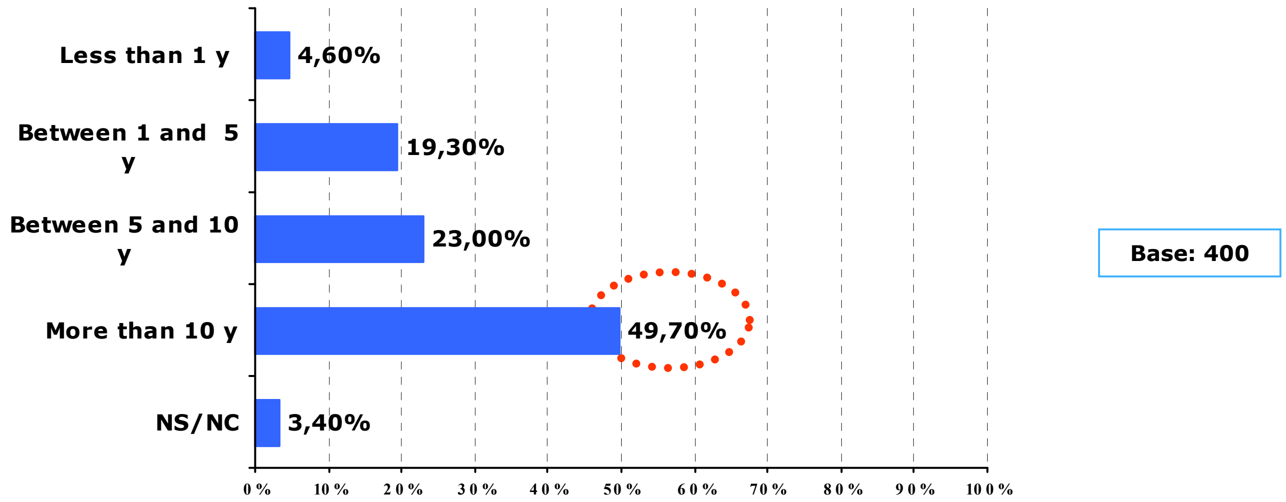
The chart below shows the accessories for swimming pools, that now can be acquired by consumers.

RESULTS

CHALLENGES FOR THE SECTOR

1 RENEWAL AND IMPROVEMENT OF ALL POOLS

The following graph shows clearly **the age of all pools in particular** swimming pools at the national level:



Almost half (49,70%) National Park pools are older than 10 years, which could be great opportunities for renewal and also strengthen the trend of adding new equipment and accessories.

RESULTS

CHALLENGES FOR THE SECTOR

2 PROFESSIONALIZATION

Industry must promote professionalism specially in the construction and installation fighting against the non professionals, thus generating a quality service that adds prestige to the industry and insures customer value.

Promoting the unification of technical and administrative regulations on construction, installation and maintenance of pools, and communication protocols for a quality service to improve the image of the sector (In addition to its business profitability)

RESULTS

CHALLENGES FOR THE SECTOR

THE POOL AT THE NEW CULTURE OF WATER

The industry must work to establish pools within the new culture of water, and to remove the myth of the pool as non sustainable for the environment.

Deliver the proper techniques for responsible maintenance of the pools. The following graph shows how there is still a significant percentage of pool-owners that empty completely the pools in the winter season:

Do you maintain your pool filled all year round?

RESULTS

CHALLENGES FOR THE SECTOR

4 TAKE AWARENESS OF THE WEIGHT OF THE FINAL CUSTOMER

In recent years there has been intense commercial work by advertising the products of some manufacturers drectly to end consumers (Magazines, internet,…). The result of this effort has not been achieved as expected but, however it has been created a **new commercial channel.**

A new flow of information to customers, can now be improved, enhanced and built up, thereby helping to project a new image of the sector.

The customer is increasing his knowledge of pools and has needs that the sector must satisfy, by supplying the right products and services to the end user with quality and professionalism.

MARKET VOLUME 2008

5

Construction.. 532 million €

Chemical.. 111 million €

Accessories.. 52 million €

Maintenance.. 55 million €

Repairs.. 222 million €

TOTAL volume.. 972 million €

Direct workers..12.500

TOTAL workers number.. 62.500

Business/number..2.000

Partners..350

Number of new pools..35.000 un.

EVOLUTION MARKET VOLUME 2009-10

6

TOTAL volume 2008...972 million €

TOTAL volume 2009...679 million € (-30,2%)

TOTAL volume 2010...800 million € (+17,6%)

Direct workers 2008...12.500

Direct workers 2009...8.750 (- 30%)

Direct workers 2010..10.300 (+ 12%)

Number of new pools 2008 ....35.000 un

Number of new pools 2009 ....15.000 un (-57%)

Number of new pools 2010 ....22.000 un (+47%)

Thank you for your attention