



Diversifying your revenue stream to be more profitable

Tips from Litehouse
Pools & Spas owner Chris Curcio

The Ohio-based chain has grown from pool and spa retail and building into service and lifestyle—and they're here to help other Pool & Hot Tub Alliance members do the same

Chris Curcio was a college student looking to help pay his bills when he stumbled upon a job at Litehouse Pools & Spas in Northeast Ohio. Little did he know, 25 years later he'd own the local pool chain and be heading into a period of unprecedented expansion.

Today Litehouse is a \$45 million pool and hot tub retail, building and service business with 15 locations in Ohio and Pennsylvania—a three-fold growth since Curcio bought the 60-year-old company.

"I've always had an entrepreneurial spirit. I enjoy doing a lot of different things in business," recalls Curcio, who has been on the PHTA Board of Directors for six years.

Curcio has used his love of innovation to become the rare pool industry owner who grew his business in part by adding new product lines and service lines.

"There's just a natural diversity to this business," he says.

And it's something others can do, too—here's how.

Think beyond the sale

The easiest way to grow your business, whether you're a builder or retailer, is to deepen your relationship with your existing customers, Curcio says. There are a variety of ways to do that.

"The consumer needs service once they've got this product, and it's only natural that we should be providing that. So, we've just tried to expand our operations on service," he says, adding that he's especially seen demand for hot tub service increase.



But don't stop at service. Offering water care products is an ancillary retail option that also builds customer loyalty.

"Once you own one of our products, you need more of our products," Curcio says, and if you don't offer them, your customer is going to go somewhere else.

Diversifying into service and water care product sales may be easier for a builder that is already on-site at the customer's home. It's a literal one-stop shop for your team to mention the next thing the customer should buy from you and doesn't require an additional storefront.

Find the right partners—wherever they may be

Litehouse is unique, even among retailers, in that they source product directly from China. Prior to the pandemic, Curcio was traveling there three to four times a year to select and import products. While he has continued to handle his purchases virtually, he plans to resume travel there again once restrictions lift.

"When you begin to get to the size we are, there's sort of a need to begin to look for opportunities to be able to import en masse," he explains, "and to do that effectively, you do need to go there."

Curcio cautions that the challenge is maintaining proper inventory levels when you have to ship by the container load and are limited to the number of different SKUs you can mix in a single container.

"Everyone's great when you guess right, but when you guess wrong, you've got to have the wherewithal to be able to work through that inventory," Curcio chuckles, mentioning he has learned the hard way about picking products with fad colors, for instance, and now sticks with the classic pool blues and earth tones.

Smaller companies can look closer to home for partners. Curcio has also grown his business by helping to source product for retailers in his region. These kind of partnerships reduce risk and decrease cost—without depleting your cash flow.

"As you're looking to grow, if you've got a single store, maybe two, I would lean on people that operate in your area on the distribution side to give you an opportunity for warehousing, delivering your product, potentially even in some cases, finding another source to help to service that product as you get going and begin to get your feet wet," Curcio says.

Commit to a new product line

For customers in Litehouse's region, the business is as recognizable for its lifestyle retail as it is for its pools and spas.

Curcio says they started out with furniture for their customers' pool decks, then expanded into fireplaces and gas heaters before taking that one step further into gas grills and the very popular Traeger wood pellet grills and Big Green Egg smokers.

Curcio says the main thing with moving into lifestyle retail is to pick one thing and stick with it.

"Commit to it, and make sure that you're really putting some energy into it," he says. "Don't try to do everything at once."

Beyond the obvious, Litehouse has also found ways to smooth out the seasonality of being in a cold-weather state by selling pool tables and Christmas trees.

"We actually now own our own Christmas tree import business where we import artificial trees," he says, "and sell to other retailers in our industry."

Actively look for new opportunities

Curcio has been championing PHTA for years as a place to go to find what's next for your pool business.

"You can start your own service business. You can start your own construction business. You can start your own retail. It's actually a very easy business to get into," he says. "PHTA provides so much education, and people within the industry are absolutely willing to give their time to help people along the way and give you some of their expertise."

With some guidance, diversifying your business can become an exciting part of what you do as a manager or owner, allowing you to think outside of the box and improve your communication with your existing customers (especially face-to-face, Curcio says) to help them increase their enjoyment in their backyards, from family time to relaxation time to parties and everything in between.

While Curcio is coy about where Litehouse will grow next, he is keeping a close eye on consolidation in the industry, especially on the manufacturing side.

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