The Growing Commercial Market

NO ONE will argue that the cost of materials and labor is climbing at an alarming rate. But is the chain saw industry's growth rate keeping pace?

"The growth rate is tapering off," said Frank McDonald, Pioneer product manager, "but only when measured against the phenomenal 25 to 35 percent annual sales upsurge experienced industry-wide since 1972."

He predicts gasoline-driven chain saws will increase 13 percent this year in North America to 1.7 million units. The farm, professional and commercial segments of the market are expected to increase 10, 5 and 8 percent respectively.

McDonald, also a director of the Power Saw Manufacturers Association, estimates 90,000 saws will be sold this year in the commercial market compared to 72,000 units in 1972.

However, unit sales to the commercial market were down slightly in early 1975 compared to a similar period a year earlier. McDonald attributed the decline to the economic slump and high unemployment, but said marketing research studies project a rebound before the key fall buying season.

The key period will be four months beginning in September when an estimated 51 percent of industry-wide sales are expected to be recorded.

Commercial unit sales this year are expected to constitute almost 7 percent of the North American chain saw business. Because commercial saws are operated in work-a-day conditions, the average commercial saw is replaced at least once every 2 years at $190 minimum.

"The commercial market is a slowly growing segment of the business, but it is dependable and maintains a steady upward curve," McDonald said. "Growth in the commercial field will be influenced by replacement sales plus an increase in the variety of new chain saw uses that are constantly cropping up in the commercial field."

McDonald sees the industry-wide growth as sparked by the high-volume consumer market, which was first penetrated in 1971 with the advent of saws selling under $140. Low-priced saws enabled consumers to discover the utilitarian value of chain saws around the home, but there is evidence the casual market pipeline is filling up.

A chain saw can last a homeowner a lifetime if he only uses it once or twice a year to cut firewood or trim trees. "That's why the tremendous growth is peaking out. The replacement business isn't as significant as in the commercial segment," said McDonald.

The news from 1974 was good and 1975 looks even better, according to Don Bartelt, general sales manager of the Echo Chain Saw Division of Kioritz Corp. "Our sales were up nearly 200 percent over 1973," Bartelt said. "In 1973 we grew 113 percent."

WEEDS TREES AND TURF recently completed the 1975 Golf Course Market Study and found that the 9,300 golf course superintendents own an average of 1.8 chain saws. Most experts agree that chain saws purchased by superintendents fall within the commercial market.

WEEDS TREES AND TURF also polled leaders in the chain saw industry. We asked the manufacturers to describe their 1975 market forecast. Most respondents agreed that supplies were sufficient to meet market demand. Early 1975 sales indicators were split evenly between steady and down. Only one respondent indicated an upward trend in sales.

We also asked the manufacturers to compare their profit outlook for 1975 to their 1974 net. Most respondents indicated an unchanged profit picture from 1974.

"The New Chain Saw for the Handyman" is the slogan Husqvarna, Inc. has put on the new Husky 35 Chain Saw, priced at $124.95 and featuring a Phelon ignition and Tillotson all-position carburetor. Another feature is automatic oiling with a manual over-ride. The Husky 35 weighs under seven pounds and has a 2.2 cubic inch, two-cycle engine. Bar lengths are available from 10 to 16 inches. All components are said to be easily accessible under the protective casings, making the chain saw easy to service. Top filling gas and oil caps offer ease in maintenance, according to the manufacturer, the Husky was designed with inexperienced users in mind. The tank and front section are extended to prevent fingers from coming in contact with the chain while sawing. For more details, circle No. 712 on the reply card.