DISTRIBUTORS RECOGNIZE POTENTIAL OF TURF MARKETS

Turf product distributors and dealers polled by Weeds Trees & Turf Magazine say 1978 sales will average 20 percent higher than 1977 sales, and 1979 sales are expected to increase 15 percent despite awareness of tightening credit.

Furthermore, distributors view turf markets as having greater potential for growth than agriculture.

Nearly 40 percent of 300 turf distributors mailed questionnaires cooperated in the survey. They averaged $1.5 million in sales and service and 30 years in business. The typical turf market serviced by the distributors is 31 percent professional turf, 26 percent consumer, 30 percent agricultural, and 13 percent other markets, such as structural pest control and schools.

The distributors averaged 165 professional turf customers with golf course superintendents, landscape contractors and park superintendents topping the list. Sales to other distributors came next, followed by nurseries, industrial users, and lawn care companies. Arborists, cemetery managers, and contract applicators were mentioned as customers in less than 15 percent of the businesses.

There is no clear distinction between dealer and distributor in most cases. Many businesses (more than 25 percent) can be considered both a dealership and a distributorship. The distributor sells wholesale to retailers. Whereas, the dealer is the agent for a manufacturer and sells retail to his customers. In the chemical and equipment turf markets, there is considerable overlap.

Thirty three percent of the respondents sell to other distributors, although just 11 percent buy from other distributors.

More than a third of the distributors sell private brand chemicals and equipment. Half sell standard brands only, and about ten percent sell only private brands. Ten percent formulate or reformulate chemicals.

When asked to compare various markets, twice as many distributors said the turf market is growing faster than agriculture. The turf market is also less price sensitive than agriculture in their opinion.

Quality of product is the most critical concern of distributors when selecting brands. Profit is second on the concern list, followed by parts and product availability, price and service.

Equipment distributors with service departments strongly favor original equipment replacement parts. Nearly 90 percent use only parts from the manufacturer. Less than ten percent use parts from other sources for repair.

Products viewed as profit centers by distributors are fertilizers and chemicals, mowing equipment and small tractors. Also mentioned frequently were turf vehicles and seed.

Products with disappointing sales in recent years according to distributors are fertilizers, chemicals, and mowers, which are all in the profit center category too.

Other concerns voiced by the distributors are government regulations (especially EPA), tightening credit combined with rising interest rates, inflation, and direct sales by manufacturers. Direct sales by manufacturers is a lingering concern of distributors. Periodic instances where a manufacturer takes over a regional branch for economic reasons or fails to pass on leads to a regional distributor are the main cause of distrust between distributors and manufacturers.

Certain products, such as trim mowers, small chain saws, fertilizer, and flexible line trimmers are being sold at lower prices by mass merchandizers. Threat of great business loss to mass merchandizers appears to have faded somewhat in the past few years. Distributors are willing to give up business on these items to an extent and manage to salvage part of it because they are full service to the customer. Convenience and service by the distributor still play influential roles in buying decisions.

When asked about recommendations for customers on how to aid in purchasing, the distributors suggested volume buying, ordering in advance of need, paying cash, leasing, and paying bills on time.

The distributors were asked what quantity earns a price break. Answers varied tremendously. However, reductions of two to 20 percent are available for large quantity buyers.