Great Expectations

Survey shows dealer/distributors increasing inventories, upgrading advertising and promotion to meet expected new sales demands.

Dealers and distributors are expecting sales to increase in 1983 with more than 60 percent of those polled in an informal WEEDS TREES & TURF survey bolstering their inventories to meet the expected demand.

An increase in promotion and advertising is also evident as distributors gear-up for what they expect will be an upturn in business. Competition, however, is keen, with 85 percent of those participating in the survey agreeing price-cutting to get business and bids is becoming more prevalent.

“It seems that other dealer/distributors are bidding now that didn’t seem to be interested before, and furthermore, are slashing prices to get this new business,” said one distributor.

Most others concur.

“Changes in our geographic areas, competition, primarily involved in general agriculture, has come into the turf and ornamental field with lower-than-normal pricing,” said another distributor.

Like it or not, some dealer/distributors have been forced into the price-cutting war.

“Our competition overstocked and now they are quoting ridiculously low prices. We have to react,” said one disgruntled distributor.

Others refuse to cut prices.

“It is common for our competition to do it, but one cannot cut prices and stay in business, so we’re hanging tough,” replied one.

Others said they are picking up new customers and keeping the old ones without price cutting.

Sixty-four percent are not interested in taking on new lines that compete with products they already carry.

The majority of questionnaires were answered by top management people. Seventy percent of the respondents were involved in some form of chemicals distribution and 65 percent in landscape equipment. Only 7.5 percent dealt with farm equipment. The golf course superintendent and parks and schools maintenance managers are the survey respondents’ most important customers. The least-serviced categories were airports, arborists, estate gardeners and sod growers. Only 23 percent were involved in the homeowner market.

On the average, dealer/distributors collected $821,050 annually in gross receipts from golf and landscape customers.

EQUIPMENT

Of the equipment distributors polled, 83 percent have seen business in their service departments pick up with an average turnaround time of four days for equip-
The golf course superintendent and parks and schools maintenance managers are the survey respondents' most important customers.

Mention repairs. More than 70 percent offer on-location repair service for the equipment they sell.

Sixty-four percent are not interested in taking on new lines that compete with products they already carry.

"It just doesn't make sense to do it," explained one respondent.

Survey results show 94 percent of the turf seed distributors are not overstocked with any particular type of turfseed. Sixty-six percent offer a private label seed mixture or blend. Sixty-one percent of the turf seed distributor's customers are asking for new and/or improved varieties of turfseed.

More than 50 percent of the respondents have increased their sales force...

Less than 1 percent of the chemical distributors custom formulate their own line of chemicals for the landscape industry. The few who do are trying to "offer a unique product" or "to make money."

CHANGING BUSINESS

Everyone, to some extent, however, is changing his business to meet the growing demands on a growing market. The survey showed the highest increase was in the advertising and promotion areas. Decisions to exhibit at regional trade shows are on the increase as are adding product lines such as specialty items, seasonal supplies, more fertilizers and fungicides, sweepers, chain saws, brush cutters and mowers. More than 50 percent of the respondents have increased their sales force and the same amount have added educational seminars for customers.

Most dealer/distributors are asking for additional support from the manufacturer, especially in the advertising and service categories.

More companies are adding computer systems and reducing inventories of slow-moving items.

"We're trying to upgrade our technical sales support, while cost-cutting in other areas," said one respondent.

From all survey indications, the stage is set for an upswing in buying in equipment, seed and chemical areas. Dealer/distributors are gearing-up with well-stocked inventories and more effective advertising and promotion of their products.

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