

A comprehensive look at a mushrooming billion dollar business

Weeds, Trees & Turf surveyed the newly emerging chemical lawn care field using a variety of techniques, including personal interviews, a direct-mail questionnaire, telephone interviews, and research of existing documents and printed materials. The following materials are offered as a sincere and comprehensive effort to portray the scope and character of an industry which is new, unique and growing rapidly.

Lawn service companies traded an average of \$141,545 last year and are projecting a healthy growth rate of almost 25 percent in 1977.

Although a number of companies have gone exclusively into
Continued on page L

Customers, Marketing, Services

The homeowner is not the exclusive user of lawn care services. About 85 percent of the lawn care companies responding indicated they also serviced turf areas surrounding office buildings, condominiums and apartments, industrial plants, hotels and motels, cemeteries, churches, and other miscellaneous establishments.

Approximately 56 percent of those respondents who said they were handling other turf areas identified commercial uses (banks, businesses, office buildings) as accounts.

Lawn care businesses buy their fertilizers and chemicals from both dealer/distributors and manufacturers. Although some 41.3 percent of those surveyed indicated they bought supplies from dealers, and only 21.4 percent identified manufacturers as a primary source of these materials, 37.3 percent of the sample indicated they purchased from both sources.

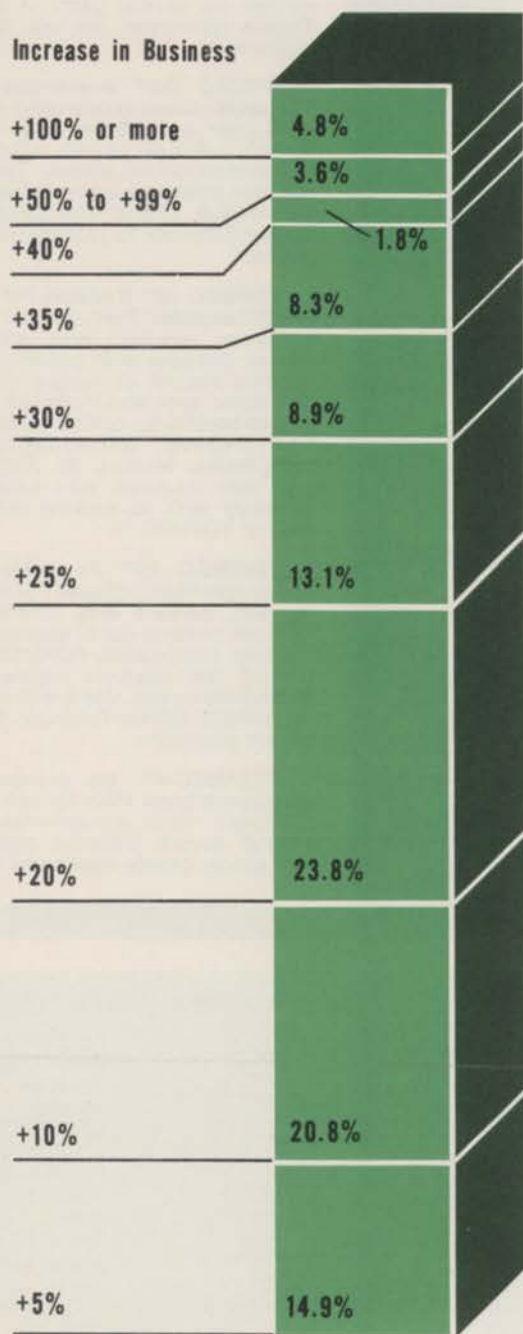
Among the some 75 percent of respondents who advertise their services to the homeowner, 76.9 percent indicated they buy space in newspapers. Some 39 percent said they use direct mailings to the consumer. Almost 30 percent said they use door to door representatives to sell their services, and 20.9 percent buy radio time.

Most of the lawn care services are using dry applications of fertilizer and many are using a combination of liquid and dry fertilization. Only a small percentage of those companies interviewed said they were using ex-

clusively liquid fertilizer applications. When asked to enumerate the services they offered to the consumer, those polled generated the following results.

| Services Available | Percent |
|--|---------|
| Fertilization | 100.0 |
| Liquid | 6.4 |
| Dry | 57.7 |
| Both | 35.9 |
| Pre-emergence crabgrass and foxtail control | 78.8 |
| Weed control | 86.2 |
| Chinch bug control | 67.0 |
| Fungus control | 65.5 |
| Sod webworm control | 68.9 |
| Grub proofing | 55.2 |
| Bill bug control | 31.5 |
| Aphid control | 43.4 |
| Soil testing | 48.3 |
| Liming | 58.6 |
| Soil conditioning — calcium and magnesium carbonate | 40.9 |
| Tree feeding | 51.2 |
| Spikes | 23.6 |
| Tablets | 6.9 |
| Dry fertilizer | 41.9 |

WHAT IS YOUR ANTICIPATED INCREASE IN BUSINESS IN 1976 OVER 1975?



Chemical Purchases

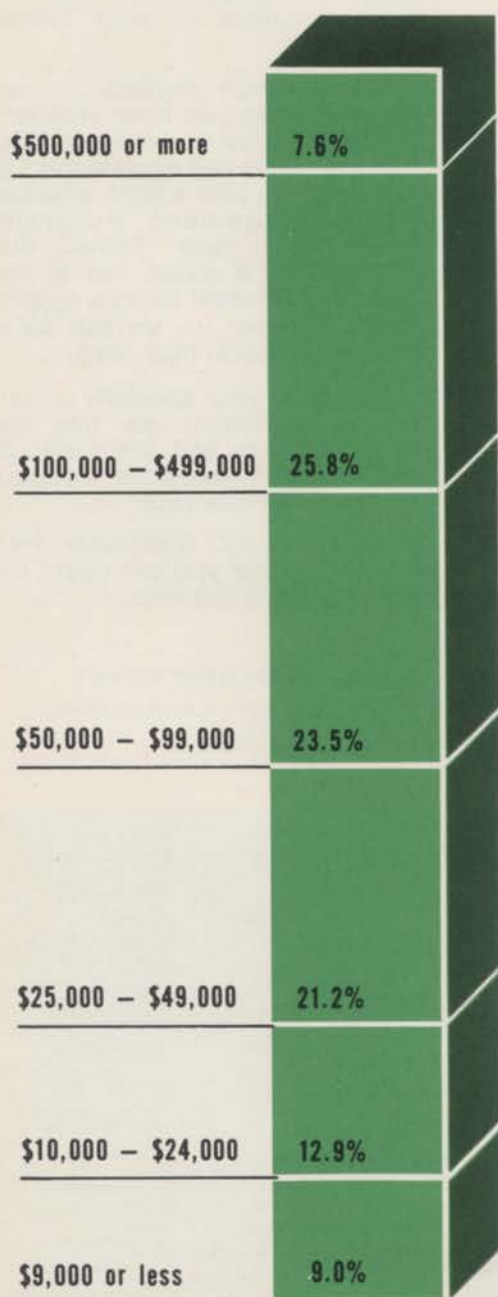
When asked to rank percentages of chemical purchases by type, respondents generated the following data:

| Percentage Of Chemical Purchases | Percent Responding |
|----------------------------------|--------------------|
| Fertilizer | |
| Less than 10 percent | 1.2 |
| 10 - 24 | 9.5 |
| 25 - 49 | 16.0 |
| 50 - 74 | 46.0 |
| 75 - 99 | 23.7 |
| 100 percent | 3.6 |
| Herbicides | |
| Less than 10 percent | 14.4 |
| 10 - 24 | 56.9 |
| 25 - 49 | 20.3 |
| 50 - 74 | 7.2 |
| 75 - 99 | — |
| 100 percent | 1.2 |
| Insecticides | |
| Less than 10 percent | 19.1 |
| 10 - 24 | 56.1 |
| 25 - 49 | 13.4 |
| 50 - 74 | 6.4 |
| 75 - 99 | 3.2 |
| 100 percent | 1.8 |
| Fungicides | |
| Less than 10 percent | 47.2 |
| 10 - 24 | 44.8 |
| 25 - 49 | 4.8 |
| 50 - 74 | 1.6 |
| 75 - 99 | — |
| 100 percent | 1.6 |
| Other | |
| Less than 10 percent | 44.4 |
| 10 - 24 | 28.9 |
| 25 - 49 | 20.0 |
| 50 - 74 | — |
| 75 - 99 | — |
| 100 percent | 6.7 |

mushrooming business

Continued from page H

DOLLAR VOLUME OF BUSINESS?



the chemical lawn care business, the majority of operations are offering such services as a related function of another business. Of those surveyed, some 85 percent indicated they performed work other than chemical lawn care.

The industry is a relatively new one. While some 11.3 percent of the respondents indicated that they were founded prior to 1948, 29.6 percent of the companies surveyed went into business between the years of 1960-1969.

Franchise operations, heavily represented in the East, are not so prominent nationally. Only 7.2 percent of those surveyed were franchise affiliated.

Most chemical lawn care businesses are independents. Some 84 percent of the respondents indicated that they had no formal or fiscal ties to other entities. Slightly more than 5 percent polled were company owned.

When queried about the number of business locations they maintained, the majority of those interviewed said that they operated out of one shop, repre-

Continued on page N

Buying Months

Buying months for chemical and fertilizer supplies were portrayed by respondents in the following percentage increments

What months do you buy from fertilizer/chemical suppliers?

| Month | Percent |
|-----------|---------|
| January | 20.4 |
| February | 41.9 |
| March | 57.0 |
| April | 47.3 |
| May | 45.7 |
| June | 40.9 |
| July | 29.0 |
| August | 34.4 |
| September | 26.4 |
| October | 12.9 |
| November | 6.4 |
| December | 6.4 |

mushrooming business

Continued from page L

senting a figure of approximately 74 percent. Roughly 13 percent indicated that they had two locations, and 7.6 percent said they had six or more locations.

The number of employees in a lawn care business varies greatly from company to company. The highest percentage of those interviewed employ four or less, representing a figure of 39 percent, with a small number of companies reporting up to 100 or more employees.

Most lawn care employees are not agronomists but have learned the skills they need to perform their jobs. Only 39.7 percent of the respondents said they employed agronomists.

The geographic distribution of lawn care companies encompasses almost the entire U.S. (see center map) with the highest density areas occurring in New York and New Jersey. A substantial segment of the industry appeared in Florida.

Lawn care treatment programs usually offer three or four applications annually per

customer. Of those polled, 51 percent indicated that they made four applications to a customer's lawn in a year. Almost 24 percent of the respondents said they used a three treatment per annum program.

The average square footage maintained for a given account falls in a range from 1,000 sq. ft. to 9,000 sq. ft. Almost 45 percent of those surveyed indicated they were servicing accounts of this size. A slightly smaller number said they were handling mostly lawns of less than 1,000 square feet.

There is functionally no minimum square footage that lawn care companies will service. Among the 28.2 percent of respondents who said they did have a minimum requirement the specification average was 235.29 sq. ft.

Most lawn care companies keep their customers. While only 19 percent of the companies surveyed claimed 100 percent retention of customers from 1975-76, the average attrition rate of customers was only 18 percent, from an average number of accounts per company of 534. □

HOW DO YOU ADVERTISE?

