

The lawn care industry continues to set records in gross sales and growth. Analysts don't predict a slackening until the late 80s and a leveling off early in the 21st century. Right now, though, the industry is booming with companies becoming more professional and more service-conscious.

## A Bull Market

It's a "bull market" in the lawn care industry.

According to the results of a survey done by *Lawn Care Industry* magazine, gross sales of the nation's leading lawn care and landscape management companies in 1983 was a record-setting \$2.22 billion. That represents a 20.2 percent increase over the 1982 figure.

Market growth should continue in the 20 to 25 percent range for the remainder of this decade, but the cloud isn't totally silver-lined. Certification, prenotification, self-policing and expanded services are industry spectres refusing to go away. Market saturation is also hanging heavily over lawn care companies in certain markets.

### Industry profile

Respondents to the *Lawn Care Industry* survey indicated that an average of 90.8 percent of their accounts were residential. Translated, that means the readers of the magazine serviced about 6.4 million home lawns in 1983. Overall, more than seven million accounts were serviced.

About 7 out of 10 LCOs are involved in disease control, aeration and/or renovation. Of these add-on services, disease control is slightly more popular with 73.6 percent of the

respondents answering positively. Aeration tasks are undertaken by 71.9 percent of the respondents and renovation by 69.4 percent.

Fifteen percent claim their entire business is chemical lawn care. Another 7 percent claim to do exclusively landscape management accounts.

### Where the money goes

The typical survey respondent spends 29.93 percent of his gross receipts on labor, 15.70 percent on fertilizers and pesticides, 7.94 percent on fuel and 4.02 percent on advertising.

The average reader's pretax profit is 20.53 percent. Overall, the predominantly chemical lawn care business scored higher in pretax profit than the predominantly landscape management business, 22.19 percent to 19.58 percent.

Based on these figures, the pretax profits of lawn care businessmen in 1983 were \$456.3 million. They pumped \$665.3 million into the labor market, spent \$176.5 million on fuel for their vehicles and paid \$89.4 million for advertising.

Telemarketing is a relatively new phenomenon to the industry. Just 5.8 percent of the respondents indicated they are involved in a full-blown telemarketing program, though 21.1 per-

cent said they use telephone solicitation as part of their advertising plans. Studies have shown, however, that telemarketing can be more cost-efficient than direct mail, cutting the cost by as much as one-half.

Marty Erbaugh, president of Lawnmark Associates, Peninsula, OH, and a former Professional Lawn Care Association of America president, said, "You may choose to avoid the reality of these figures, but telemarketing is here to stay."

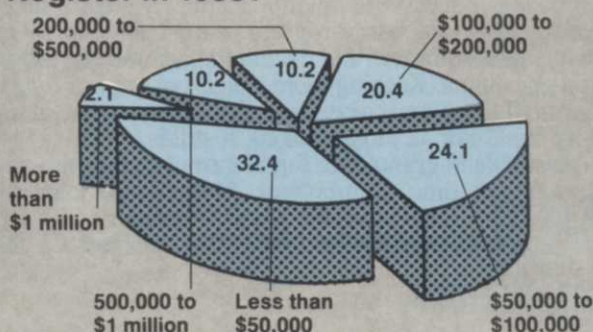
### LCO profile

Three out of every four businesses in the lawn and tree care industries DO NOT belong to either a state or regional professional organization, according to the National Urban Pesticide Applicators Survey. The survey, done by Frederick W. Immerman of the Center for Survey Statistics, found that 74.37 percent of all tree/lawn care firms did not belong to a regional or professional organization. Just 18.73 percent of the 3,208 companies said that they did, compared to 41.14 percent of 5,496 structural pest control operators.

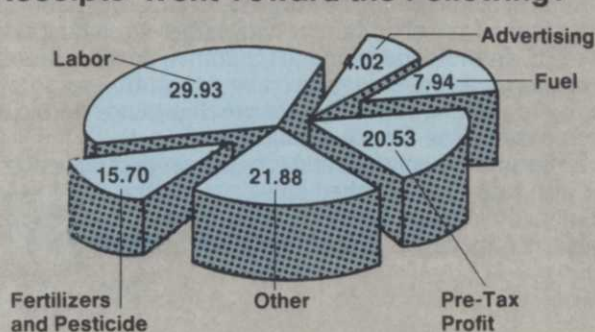
According to the Immerman survey, most of the companies involved in tree or lawn care fell into a bracket of less than \$25,000 gross sales per year.

*continued on page 36*

**How Much Gross Sales Did You Register in 1983?**



**What Percentage of Your 1983 Gross Receipts Went Toward the Following?**



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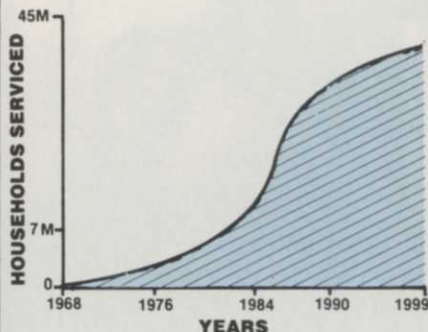
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## SURVEY from page 32



### Lawn Care Growth Curve

Homeowner attitudes also provide insight into the market. Six percent of 45 million owner-occupied single-family homes with lawns in this country contract for professional lawn care. That percentage increased to 13 for homes with incomes more than \$20,000 per year. Of all lawns contracted for professional lawn care, 34 percent are under 5,000 square feet. Fifty-four percent are under 7,500 square feet. Homeowners' biggest lawn problems are weeds (summer annual broadleaf); insects (white grubs); disease (Fusarium blight); and drought injury.

LCOs contacted for the survey had a generally upbeat outlook for the future of the industry.

### Down the road

Jim Chapman of Lawn Aid, Bellevue, WA, says he sees the industry growing in two directions.

"There will be companies like mine involved in full service and I also see a need for specialty companies like ChemLawn which may perhaps become even more specialized. There's more money in specialization because there's more satisfaction in full service if you do a good job."

Joe Williams of Lawn Master, Pensacola, FL, ranks pesticide regulation at the top of his list of things affecting his industry's future. Says Williams, "It could be very damaging if it got out of hand. If we don't monitor it ourselves and get control of it—misuse of pesticides, that is—we've got enough of it that environmental groups will definitely take advantage of our mistakes and hurt us all in the long run."

One industry analyst sees lawn care industry sales conforming to a standard bell curve. This means the sales growth rate will start to decrease late in the 80's, and level off early in the 21st century.

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