

GreenKeeper Mowers

When GreenKeeper Mowers was formed by Keith Damien to produce unpowered lawn mowers, the company seemed to have little chance. However, several trends created a favourable environment for the firm and it seemed as if it might be able to find a market niche, if he had a sound marketing strategy.

Lawn Mowers in Canada

A nice lawn is an essential part of the suburban lifestyle lived by close to half of all Canadians. To keep those lawns looking nice, more than half a million lawn mowers are sold each year in Canada, the vast majority of them electric or gasoline-powered. A small number, about 26,500, are push mowers-- the kind you need to push around so gears within the wheels will turn the blades which clip the grass. Remarkably, the old-fashioned push mower is making a comeback. Sales in the U.S. are up by 150% in the past five years, lead by American Lawn Mower Co., which holds about 95% of the market. The American Forecaster Almanac calls for increases of 20 to 30% a year for the next five years. While it is not expected to displace the electric or gasoline mowers, the push mower seems likely to grab more than 5% of the total market.

The Return of the Push Mower

In the early 19th Century, Edwin Budding adapted a carpet-trimming device so it could cut grass. Until the 1950s, the push mower was the only way to go. However, as suburban communities, with their larger lawns, began to spring up around cities, the need emerged for something better. Sales of push mowers declined dramatically, dipping to an almost-negligible 7,000 units a year in Canada. However, over the past five years they have grown dramatically, to a present level of 26,500.

Reasons for this growth aren't hard to find. Baby Boomers, mostly in their 30s and 40s now, are looking for a simpler life and a return to the things they had as children. In growing numbers, they are leaving large suburban homes, often after their children moved out, and moving into smaller city residences with small lawns. People are seeking simplicity as a counterbalance to the high-tech world we live in, so they like the idea of a mower that requires no thick operating manual. According to American Forecaster, the mowers are part of the "upscale simplicity" phenomenon. Gardening is one of the leading forms of exercise for Canadians!



Environmental concerns also come into play, since push mowers use no fossil fuels. Electric mowers draw resources and gas mowers are far from environmentally sound. In half an hour, they spew as much pollution as a new car travelling 275 km. Filling a gas mower requires a steady hand, and it is estimated that 64 million litres of gas are spilled each year in the U.S.

Gardening experts recommend the push mowers for smaller lawns and the gentle clipping action is considered better for the grass than a whirling, often dull, blade. Nearly half of the

buyers for push mowers are women, typically living on smaller lots. For many, mowing the lawn becomes another form of exercise, an alternative to a workout at the gym. Many like the peaceful nature of the machine.

GreenKeeper Mowers

Keith Damien was an engineer who had always enjoyed push mowers. Using his engineering skills and a good relationship with a nearby manufacturer of industrial equipment, he was able to develop an excellent push mower that was smooth, easy to push and did a superb job. To evoke the image of a golf course and create an environmental image, he called it the GreenKeeper mower. He realized that the market for push mowers was small and American Lawn Mower was dominant in Canada. However, he was only able to produce 5,000 mowers a year. The low volume and high quality of his mowers meant that they would have to retail for \$250 to \$300. Canadian Tire offered American Lawn Mower products at \$100 and \$150. Damien looked down on them and pointed to the precision engineering and more precise cut that was possible with his machine. "It is more like a Cadillac of lawn mowers," he said.

Marketing Strategy for GreenKeeper

Damien knew he had to develop some plan for his product to succeed. He recalled that marketers talked about target markets being the people at whom you direct your communications because they are most likely to buy it. Possible target markets included the casual gardener, who shopped at Canadian Tire or Home Hardware or Home Depot for their needs. They wanted a mower that was reliable, inexpensive and would do the job quickly with few hassles. Some of them would buy a push mower because they had small lawns. He had also heard about the "serious gardener" segment-- people who took their landscape seriously and had the money to buy quality implements to do the job right. However, they didn't shop at the outlets like Canadian Tire; they went to specialty garden stores like Weall & Cullen or to smaller, local garden centres that typically sold plants, soils, fertilizers, along with a range of implements (hoes, rakes) and, in some cases, push lawn mowers! All of their implements were of very high quality and high priced-- one hoe cost \$100! However, as one garden centre owner told Damien: "Our customers are very involved in their gardens and they want nothing but the best for everything on their property."

Women accounted for half the customers at specialty garden centres, especially those serving areas like Toronto, where many "yuppies" lived in renovated houses on small lots. At larger retailers, about two-thirds of the clientele were male.

Damien knew he also had to figure out a price, place and promotion plan for his product. In terms of price, he knew his costs were much higher than the large manufacturers. Smaller outlets wanted higher margins than the big operators, so prices had to be higher to accommodate their needs. "I could sell in Canadian Tire for \$225, but I wouldn't make much of a margin at all. In the specialty garden stores, I can sell for \$275 to \$350 and that would give a good margin to me and the retailer." Price and place were clearly related. Electric mowers sell at Canadian Tire in a \$150 to \$325 range, while gas models go from \$200 to \$450. Keith pegged his cost to produce a lawn mower at \$150, and he wanted to make between \$25 and \$50 a mower on top of that to cover his expenses.

Promotion was a sticky point. Canadian Tire and other large outlets liked national advertising to support products in their stores. Such a campaign would cost at least \$400,000 for some television coverage. Local advertising near outlets was another possibility. Co-op advertising, where retailers were paid an allowance in return for featuring your products in their ads, was another possibility. In-store materials, such as a brochure explaining what was special about GreenKeeper Mowers, was another possibility. More importantly, what would the message be? Damien was unsure what he should say in his promotions. "I'm proud of the engineering that has gone into this machine and I think people need to know about that," he remarked.

Damien shook his head. He knew he had an excellent product, but he needed some help to figure out how he could market it successfully.

This case was prepared by Professor David Nowell of Sheridan College Institute for Technology and Advanced Learning as a vehicle for academic discussion of marketing issues. It is based in part on a Wall Street Journal article appearing in the Globe and Mail on Saturday, August 9, 1997. Some of the material is fictional.