




# The Future of the Landscape Industry

2022 and Beyond



**With the landscape industry struggling to keep up with unprecedented service demands as their labor pool continues to evaporate slowly, companies “*in the grow*” are turning to technology and consolidation to increase their market share of sustainable revenue streams.**

**Overview | 3**

**The Landscape Industry Today | 4**

**What Customers Are Saying | 5**

**The History of Modern Landscape | 6**

**Landscape Industry Trends | 7**

**Ready to Take on 2022 and Beyond?**

**Let BBB Help! | 11**

# Overview

The lawn and landscape industry is not one that is typically known for fast growth and technological innovation. Yet the times are changing (and they are changing fast). According to IBISWorld<sup>1</sup>, **landscape is the No.3 ranked industry in the Administration, Business Support, and Waste Management sector, and the 108th largest industry overall.**

In this whitepaper you will learn about the **four distinct trends that are impacting the landscape industry's future growth and revenue potential.** Each of these trends is driving faster growth than has been seen in decades, forcing industry players to keep up with the new realities of 2022 and beyond. **After a decade of steady 5% annual growth, Insurance Bee<sup>2</sup> recently stated that "Overall employment of landscaping and groundskeeping workers is projected to grow 10% from 2019 to 2029."**

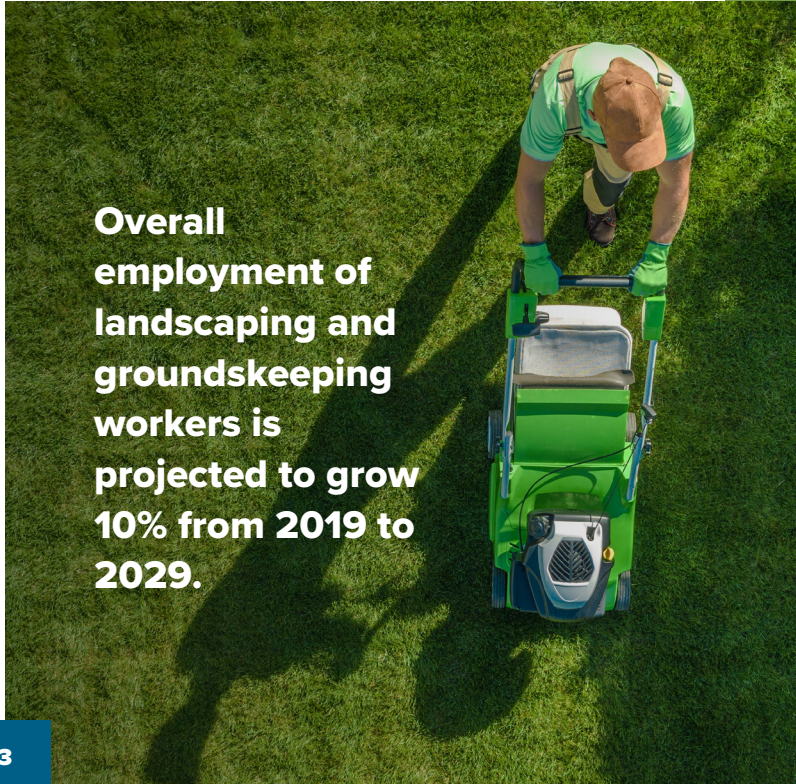
At a time when many customers are struggling to find a quality contractor, **the most apparent trend is the unprecedented demand for residential services caused by new construction and aging population booms.** With more housing being built for "first-time" homeowners and growing families, and our aging population unable to "self-perform," many contractors have more work than they can handle (and that's not a good thing).

While many landscape contractors struggle daily with rising demands for their services, almost every contractor seems to be dealing with a severe shortage of qualified labor available, thanks to the "Great Resignation," driven in part by the pandemic economy. This trend has compounded the problem of increasing demand, forcing business owners and leaders to get creative in order to do more with less.

This has created an environment in which savvy companies are already embracing technology in their business operations, including on-demand appointment scheduling, real-time quotation systems, and electronic payments captured at job completion. These technologies have been around for years, but the industry has been slow to adopt them en masse, as older owners and executives have held off on sizable investments to update in these areas.

Unfortunately, technology can't fix everything. With the daily pressures of a weakening workforce and growing customer demands, the final trend shaping the industry for 2022 and beyond is the continued increase in mergers and acquisitions. As an industry filled with "old timers" nearing retirement age, many near the end of their cut are opting to forego the expense and time to be competitive in the next decade, finding very willing acquirers and partners who will.

Now let's get started with an overview of the landscape industry today and then get into each of the four trends impacting the realities of today and tomorrow.

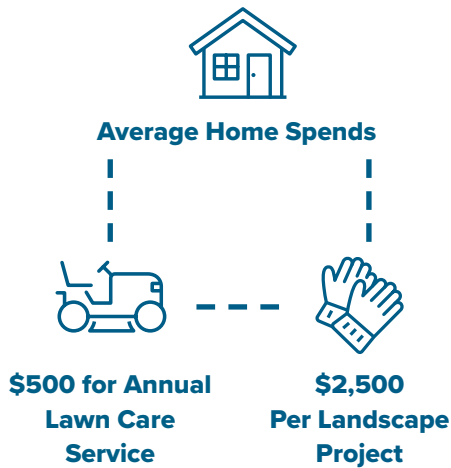


**Overall employment of landscaping and groundskeeping workers is projected to grow 10% from 2019 to 2029.**

(1) [www.ibisworld.com/industry-statistics/number-of-businesses/landscaping-services-united-states/](http://www.ibisworld.com/industry-statistics/number-of-businesses/landscaping-services-united-states/)  
(2) [www.insurancebee.com/blog/landscaping-industry-statistics](http://www.insurancebee.com/blog/landscaping-industry-statistics)

# The Landscape Industry Today

Since recovering from the “Great Recession” in 2012, the landscape industry has seen a consistent and predictable growth rate of 5.5% annually. The fastest-growing service is regular lawn maintenance, arbor services, and landscape construction projects. The average home spends only \$500 for annual lawn care service<sup>2</sup> compared to \$2,500 per landscape project<sup>3</sup>.



Based on recent data from IBISWorld<sup>1</sup>, the US and Canada presently have more than 648,000 landscape companies in business. (see chart below for additional data)

When reviewing the top 100 landscape firms in 2020<sup>4</sup>, you can see the top earner was BrightView, with more than \$2.3 billion in revenue and 21,000 employees. At No. 100 was Frank and Grossman Landscape Contractors with \$25 million and nearly 300 employees.

No U.S. company has a market share greater than 5%, with the top five grossing landscape companies accounting for just \$6 billion of the \$105 billion market<sup>2</sup>. Even though TruGreen is the landscape industry’s corporate giant (combined products and services), it holds a market share of just 3% of landscaping services provided annually.

**Despite the best efforts of the national companies to land and expand, the landscape industry remains dominated by local entrepreneurs, small startups, and family-owned businesses.** Even as the ongoing market consolidation continues, hundreds of new landscape-related companies get their start every day.

However, until there’s a solution to the current labor shortage, most companies can expect more work than they can handle for the foreseeable future. So, whether you’re dealing with products or services, high demand and low supply result in higher prices for the consumer and better profit margins for the landscape provider.

	Landscape Companies	Number of Workers	Company Profiles/Listings	Accredited Businesses	Number of Complaints
US	630,000+	1 Million+	135,000	14,000	8,500
CA	12,200+	11,000	8,000	750	400

Anticipated annual growth of 10% for both markets over the next decade according to InsuranceBee.

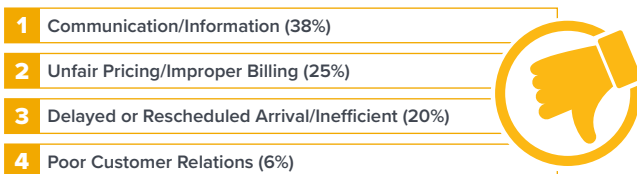
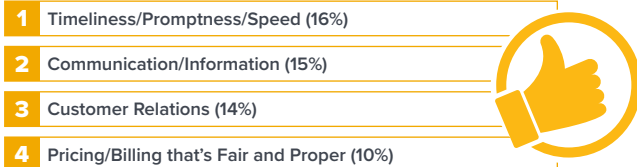
(1) [www.ibisworld.com/industry-statistics/number-of-businesses/landscaping-services-united-states/](http://www.ibisworld.com/industry-statistics/number-of-businesses/landscaping-services-united-states/)  
 (2) [www.statista.com/topics/4798/landscaping-services-in-the-us/#dossierKeyfigures](http://www.statista.com/topics/4798/landscaping-services-in-the-us/#dossierKeyfigures)  
 (3) BBB Data  
 (4) [gjeedn.blob.core.windows.net/fileuploads/document/2021/05/09/top%20100%20poster%20full.pdf](http://gjeedn.blob.core.windows.net/fileuploads/document/2021/05/09/top%20100%20poster%20full.pdf)

# What Customers

## Are Saying...

It may be true that the industry is experiencing new found growth that it's been craving for years, but this has only compounded many of the customer experience and workflow management issues that have characterized the industry for decades.

What are customers really looking for in a lawn and landscape contractor? Let's take a look at what our data says about the likes and dislikes of customers.



Of course, these statements are not indicative of every customer's experience. In fact, data shows that less than 5% of Canadian and 6% of U.S. landscape business receive a BBB complaint. But it does shine the spotlight on the landscape industry trends we're about to discuss here today.

I reached out to this company for lawn service. They sent a quote, which I approved, agreed to a day of the week for mowing, and even shared my credit card and yard gate code info. For three weeks, I attempted to confirm service. Twice I was told they would be showing up to mow my lawn, but **no one ever came**. No explanation from the company. No apology. **Now I have to scramble to find someone to mow my lawn that has been sitting for over a month**. Do not even bother to work with this company - they'll just lie to you and string you along apparently if they don't want to service your yard.



I came home from work and found a **stump removed from my yard, tire ruts, and a big hole — stump grindings all over the yard and my car**. Best part was **I never hired him or even talked to him. He was at the wrong address**. I talked to the neighbors, and one of them told me he was supposed to work in their yard. I called him and asked if he was coming to clean up the mess, and he insulted me and told me to pound sand. Then hung up on me.

# The History of Modern Landscape

To fully “get” the importance of these emerging trends, first, we need to look back over our shoulder because hindsight is 20/20. It is important to remember that the landscaping industry is still in its infancy, compared to many other service provider companies today.

Just a few decades ago, the average homeowner did their own yard and landscape maintenance. With the exception of finding a neighborhood kid, other options were time consuming and expensive.

You couldn't call and schedule a lawn tech for the day after tomorrow.

Of course, the homes near the country club and the historic district always had the picture-perfect gardens and lawns, but you could always spot a gardener (or several) working somewhere in the neighborhood. Finely trimmed hedges and a manicured lawn became a necessity for some neighborhoods; and a bragging point for others.

As the landscape industry took root and quickly blossomed, services became standardized, competitive pricing kicked in and voila!

**Whether it's a hectic work schedule, kids' activities, allergies, or age or skill set,**

**anyone who doesn't want to mow their yard or pull their own weeds can now easily**

**hire a company that will. And that's the driving force behind these industry trends.**



# Landscape Industry Trends

Currently, there are four distinct trends driving systemic change throughout the landscape industry.

**The first three reveal immediate challenges for landscape companies of all sizes, and how your company responds will determine whether or not you will be impacted heavily by the fourth trend.**

## 1 Growing Residential Demand

Several factors are responsible for the increased demand for residential landscape and maintenance services. First, we have an **aging population whose desire to keep their homes and properties looking their best has now become a chore.** What was once a hobby, a labor of love, or an attempt to keep up with the Joneses has now become a chore.

**Millennials are finally purchasing homes!** Millennials are the 80 million Americans and 10 million Canadians born between 1980 and 1995. They've been slow to enter the housing market for various reasons, ranging from burdensome student debt to tighter lending standards following the Great Recession. However, after a decade of asking where these 90 million "lost" buyers are, they've shown up in droves since 2020<sup>4</sup>. From January 2021 through August 2021, millennials made up more than two-thirds of first-time mortgage applicants.

**New home construction has also pushed the demand for lawn services as new neighborhoods sprout up across the U.S.** In 2015, just 650,000 new homes were built across the country. In 2019, thanks to lower interest rates, 903,000 new residential units became available. That's a whole lot of lawns and landscaping to take care of!

903,000 x one-fifth acre (standard size lot: 8,500 square feet) = 180,600 acres of brand new landscape area added to the market annually.

**The end result is more people reaching out to contractors for lawn and landscaping needs on an annual basis.** A good problem if you have the staff; but as we will see, many contractors are struggling to keep up.



(4) [www.cnet.com/personal-finance/mortgages/millennials-are-buying-more-homes-ahead-in-mortgage-applications-for-2021/](https://www.cnet.com/personal-finance/mortgages/millennials-are-buying-more-homes-ahead-in-mortgage-applications-for-2021/)

## 2 Shortages of Skilled Labor

Finding suitable, qualified, and reliable help has always been an issue for contractors and service providers. But with government subsidies, extended unemployment benefits, and the fallout from the Great Resignation, finding quality employees is a lot like trying to find that proverbial needle in a haystack.

Finding quality employees remains a sticking point for most in the landscape industry. Per Statista<sup>5</sup>, **more than 43% of landscape providers surveyed said finding quality help was their biggest challenge.**

This is only expected to get worse as many look to alternative forms of employment, or even going into business for themselves.

Many complaints received by BBB point to the lack of quality, skilled labor. In fact, the inability to perform the work, due to a lack of skill or experience, is the leading reason customers ask BBB's help in resolving an issue.

The quality of work you deliver to customers is one of the things they are most critical of when it comes to your company. According to BBB data:



**30% of negative reviews mention damage/messes**



**50% of negative reviews mention unfinished work**

These are things every lawn and landscape company can avoid, with the right employees and proper training.

Very unhappy experience. **The company has done a terrible job, and when repeatedly asked to correct it, offers untruthful excuses but doesn't get it right.**

“

Spent over \$17,000 doing landscaping and had nothing but trouble with this company. **Had to have them back multiple times to fix problems. They were slow to respond and follow up.** Finally gave up on them and moved on. I DO NOT recommend this company.

Wouldn't it be great if good, honest, hard-working employees could somehow search out great companies looking for help? The reality is that this problem is not going away unless you do something different.

There are many contractors who have invested heavily in training programs that aim to take basic laborers and turn them into highly productive assets for their company in a short period of time. This investment may hurt the bottom line in the short term, but over time it should more than pay for itself by avoiding the bottlenecks that come with not having a bench of capable laborers.

These investments, combined with further technology adoption, are helping contractors best manage increasing demand, and the difficulties in capturing it.

(5) [www.statista.com/statistics/893593/leading-challenges-of-landscaping-and-lawn-care-contractors-north-america/](https://www.statista.com/statistics/893593/leading-challenges-of-landscaping-and-lawn-care-contractors-north-america/)



### 3 Narrowing the Technology Gap

Technology is a lot like cilantro: You either love it or hate it. If you fall into the latter camp, you've been able to avoid all that technology and web stuff by choice until now. Our prospect pool and customer database are getting younger<sup>4</sup>. And since they use technology for almost everything, it's time that we get in the game. Or get left behind.

When it comes to technology, lawn and landscape companies are looking to become more efficient in every area of their operation:

**Streamlined communications** through messaging apps that centralize phone, email, and text messaging to make it easier to get back to customers

**Workflow management software** that ensures scopes of work get completed in full, and that both parties have a record in case something doesn't add up

**Real-time quoting systems** to speed up the sales cycle and cut down on quotes that were forgotten, which leads to continual losses in revenues.

**Customer relationship management software** that tracks the lifecycle of the customer and provides easier ways to market to existing customers over time

**Automated marketing tools** that help keep the company top of mind, while also improving conversion rates since the industry is notorious for poor follow-up

**Asset tracking systems** that cut down on tool and machinery theft, as well as aid in educating staff on better routes and ways of executing the day-to-day work assignments



*If you're not sure these things will help, simply listen to what some customers are saying:*

Terribly unprofessional. **Gave me the run around for weeks when I would try to get an update on my quote.** If they are too busy to take on new jobs or if they just don't want to do it, they should say so and be upfront instead of giving the run-around and never calling back when they say they will. Extremely unprofessional company.

“

I paid to have my sprinkler system flushed at the beginning of the season. We had a scheduled appointment to flush the system and have yet to hear from the company. **I have called multiple times, texted multiple times, and emailed. I have received zero responses.** Confirm if sprinkler system has been flushed or not. If not, do the work.

(4) [www.cnet.com/personal-finance/mortgages/millennials-are-buying-more-homes-ahead-in-mortgage-applications-for-2021/](http://www.cnet.com/personal-finance/mortgages/millennials-are-buying-more-homes-ahead-in-mortgage-applications-for-2021/)

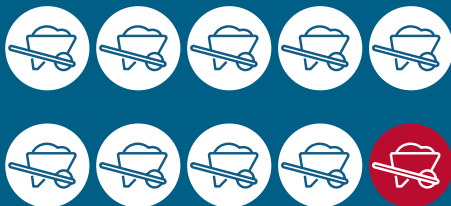
Still not convinced to get on the technology bandwagon? Here's another data point to consider; **one in six Americans now lives in a multi-generational home**<sup>6</sup>. The property owner may be the parent or grandparent, but **chances are that a younger family member is responsible for scheduling and paying for the landscape services**. The property owner may have no problem writing you a check, but a younger member of the household may prefer using a payment app or electronic billing option.

Establishing and maintaining your digital presence isn't the expensive or time-consuming process that it used to be. It's also not the instant path to new business that it once was, so make sure that you think beyond your website when it comes to technology, by looking into the systems mentioned on the previous page.

### Did You Know?



Only **1 in 10** lawn and landscape companies are currently accredited by the BBB. This represents an outstanding opportunity for you to differentiate your business from others in the area, sending a bright signal of reliability, and trust, to your customers as a result of accreditation.



## 4 Industry Consolidation Continues

The three trends outlined have added momentum to the growing market consolidation (mergers and acquisitions) in the landscape industry. Therefore, it should be no surprise that investors are so attracted to landscape services<sup>7</sup>. They provide a high level of recurring revenue and have “essential service” status, thus rendering their income streams essentially pandemic-proof.

***Despite the growing demand for lawn services, some small businesses simply can't afford the costs of taking on the additional business.*** It costs money to bring on a new tech/employee. You're going to spend money on the truck, tools, gas, and insurance, not to mention wages and taxes. And now you have maintenance costs on another vehicle, plus your landscape equipment.

Another factor in the consolidation equation is that most small businesses do not have a succession plan in place<sup>8</sup>. Without an obvious successor in the family to take over the company, it makes perfect sense to sell now and collect a profit, rather than watching all your hard work slowly disappear. These types of business are plentiful in the industry and prime targets for regional, as well as large national and international companies.

**For more information about the Future of the Landscaping Industry visit [BBB.org](http://BBB.org)**

(6) [www.usatoday.com/story/money/columnist/2020/07/16/multigenerational-households-rise-prepare-pros-and-cons/5447028002/](http://www.usatoday.com/story/money/columnist/2020/07/16/multigenerational-households-rise-prepare-pros-and-cons/5447028002/)

(7) [www.linkedin.com/pulse/landscape-industry-consolidation-ron-edmonds/?trk=articles\\_directory](http://www.linkedin.com/pulse/landscape-industry-consolidation-ron-edmonds/?trk=articles_directory)

(8) [www.greenindustrypros.com/business-management/article/21940484/why-lawn-care-businesses-are-primed-for-market-consolidation](http://www.greenindustrypros.com/business-management/article/21940484/why-lawn-care-businesses-are-primed-for-market-consolidation)

# Ready to Take on 2022 and Beyond?

## Let us help!

Companies that effectively embrace current industry trends will continue to grow and flourish. The ones that don't will appear in the annual landscape mergers and acquisition report. **If you're wondering where to start or who to call first, we've got you covered!**



**Differentiate your  
landscape company from  
90% of your competition**

Standing out in a crowded marketplace isn't easy, but adding a **BBB Accredited Seal tells everyone that you go above and beyond** on a daily basis. You're committed to the BBB Standards of Trust to provide extraordinary customer care. And, **in the event of a customer issue, BBB offers dispute resolution and arbitration as free and inexpensive alternatives to going to court.**

Your accreditation **adds you to BBB's exclusive community of trustworthy businesses where over 140 million searches occur annually.** Over 85% agree the halo effect of their BBB Accreditation has been a positive influence in their business growth. Imagine the impact that co-branding with the seal known for trust will have on potential customers!



**Bridge the trust gap**

Whether a prospect is tech-savvy or tech-challenged, they can easily click through and see your company details from an independent third-party perspective, resulting in instant credibility and trust using the dynamic BBB Accredited Business Seal. Offline, use the seal to raise awareness in ads, on company vehicles, your storefront, or wherever you advertise.

**Leverage BBB to attract  
the best employees**

Great companies need good, dependable employees to handle increasing demands. And high performing employees want to work for companies that have shown they're honest, dependable, and trustworthy.

Wow! Employees are looking for the same things as your prospects. If only there was an easy way to appeal to both of these critical stakeholders

**BBB Accredited Business Seal tells job hunters and customers that your business is one that does the right thing, one they can trust. When they see the seal in your ads on on your website, they can be confident signing an offer letter or a contract, thanks to your BBB Accreditation.**



**Build a better business**

**BBB.org is full of resources to help you start, manage, or expand your business.** Use our industry hubs, branding assets, business resources, and customer resolution services to help you engage and retain your most valued stakeholders.



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