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# IBISWorld Industry Report 56173 Landscaping Services in the US

March 2017 | Edward Rivera

A new leaf: Rising construction activity will encourage demand for industry services

## Industry Definition



This industry primarily provides landscape care and maintenance services, including planting trees, shrubs, flowers, lawns or gardens. Industry companies may also design landscape plans or construct walkways, retaining walls, decks, fences, ponds and similar structures. The design of large-scale landscaped areas, such as the campuses of hospitals or schools, is included in the Landscape Design industry (IBISWorld report 54132).

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## The Supply Chain



### Key Economic Drivers

- Value of private nonresidential construction
- Value of residential construction
- Households earning more than \$100,000
- Per capita disposable income
- Government consumption and investment



### Supply Industries

- Farm, Lawn & Garden Equipment Wholesaling
- Flower & Nursery Stock Wholesaling
- Inorganic Chemical Manufacturing
- Organic Chemical Manufacturing
- SUV & Light Truck Manufacturing

### Demand Industries

- Home Builders
- Apartment Rental
- Property Management
- Hospitals
- Commercial Building Construction
- Colleges & Universities
- Consumers



### Related Industries

- Plant & Flower Growing
- Excavation Contractors
- Nursery & Garden Stores
- Landscape Design

### Related International Industries

- Gardening Services in Australia

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## Major Players



There are no major players in this industry

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## Main Activities



The Primary activities of this industry are:

Providing arborist services	Planting trees, shrubs and other plants
Fertilizing lawns	Spraying lawns
Landscape care and maintenance	Basic landscape design (excluding full landscape architecture)
Landscape installation	Pruning
Lawn mowing	Turf installation (except artificial turf)

The major products and services in this industry are:

Maintenance and general services-commercial	Design-build-installation services
Maintenance and general services-residential	Arborist services and other services

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## Similar Industries



### 11142 - Plant & Flower Growing

Companies in this industry primarily grow nursery plants (e.g. trees and shrubs) and flowering plants (e.g. cut flowers and flower seeds).

### 44422 - Nursery & Garden Stores

Companies in this industry retail landscaping materials, plants and shrubs.

### 23891a - Excavation Contractors

Companies in this industry primarily excavate land for further construction, including drilling shafts, foundation digging and drilling and grading.

### 54132 - Landscape Design

Companies in this industry plan and design the development of land for projects such as parks, other recreational areas, airports, highways, hospitals and schools.

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## Additional Resources



[www.landscapemanagement.net](http://www.landscapemanagement.net)  
Landscape Management

[www.lawnandlandscape.com](http://www.lawnandlandscape.com)  
Lawn & Landscape

[www.americanhort.org](http://www.americanhort.org)  
AmericanHort

[www.landscapeprofessionals.org](http://www.landscapeprofessionals.org)  
National Association of Landscape Professionals

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## Industry Jargon



### **ARBORIST**

A specialist in planting, transplanting, pruning and diagnosing the ailments of trees as well as in tree surgery and tree maintenance.

### **FERTILIZER**

A substance (e.g. manure or commercial fertilizer) used to supply nutrients to soil and plants.

### **HERBICIDE**

A chemical agent used to destroy or inhibit plant growth, such as that of weeds.

### **LAWN SERVICE**

A landscaping service that includes mowing, fertilizing and insect control.

### **MULCH**

A protective covering (e.g. sawdust or compost) spread over the ground to reduce evaporation, maintain even soil temperature, prevent erosion, control weeds or enrich the soil.

### **OUTSOURCE**

To procure goods or services under contract with an outside supplier.

### **PESTICIDE**

A chemical agent used to destroy a pest found on plants or crops.

### **SHRUB SERVICE**

A landscaping service that includes the trimming and shaping of plants.

### **TREE SERVICE**

A landscaping service that includes tree removal and surgery (cutting of limbs).

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## Glossary

### BARRIERS TO ENTRY

High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

### CAPITAL INTENSITY

Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labor; medium is \$0.125 to \$0.333 of capital to \$1 of labor; low is less than \$0.125 of capital for every \$1 of labor.

### CONSTANT PRICES

The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the "real" growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

### DOMESTIC DEMAND

Spending on industry goods and services within the United States, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

### EMPLOYMENT

The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

### ENTERPRISE

A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

### ESTABLISHMENT

The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

### EXPORTS

Total value of industry goods and services sold by US companies to customers abroad.

### IMPORTS

Total value of industry goods and services brought in from foreign countries to be sold in the United States.

### INDUSTRY CONCENTRATION

An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

### INDUSTRY REVENUE

The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

### INDUSTRY VALUE ADDED (IVA)

The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

### INTERNATIONAL TRADE

The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%, medium is 5% to 20%, and high is more than 20%. Imports/domestic demand: low is less than 5%, medium is 5% to 35%, and high is more than 35%.

### LIFE CYCLE

All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

### NONEMPLOYING ESTABLISHMENT

Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

### PROFIT

IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

### VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than  $\pm 20\%$ ; high volatility is  $\pm 10\%$  to  $\pm 20\%$ ; moderate volatility is  $\pm 3\%$  to  $\pm 10\%$ ; and low volatility is less than  $\pm 3\%$ .

### WAGES

The gross total wages and salaries of all employees in the industry. The cost of benefits is also included in this figure.

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