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amazon OPPORTUNITY

The retail giant now sells professional services.
What effects will it have on the landscape industry?

August 2015

landscapemanagement.net

A NORTH COAST MEDIA PUBLICATION



amazon OPPORTUNITY

The Internet retailing giant now offers professionals services. Here's how it could affect the landscape industry.

BY LAUREN DOWDLE

Consumers want everything to be instant, hence the success of on-demand services like Uber and GrubHub. Now, using a car service or ordering food delivery is just a click away on a mobile device or computer.

This trend of acquiring services quickly and hassle-free also has made its way to the landscape industry with Amazon Home Services, which launched in late March.

Known mainly for its products, reviews and delivery, Amazon also has created a way for people to search for local home, yard/outdoor, automotive and electronic services on its website.

There are more than 700 services to choose from, although not all are available in every city yet. The current focus is on the Seattle, San Francisco, Los Angeles and New York City metro areas, but services are available in more than 40 states.

With 85 million customers purchasing products on the site in the past year, Amazon wanted to make it easier to find and hire the best professionals, says Bhavnish Lathia, general manager at Amazon Home Services.

"We've heard from our customers that it's hard to find trusted experts in their neighborhoods and

know if they're getting a competitive price," Lathia says. "That's why we created Home Services—to help make shopping for services as easy, trusted and reliable as it is to shop for products."

WHY IT'S IMPORTANT

Amazon is the largest Internet-based retailer in the country, so when it launches something, it's going to have an impact on a wide range of industries.

"Although Amazon Home Services is still off of the radar, you better take it seriously," says landscape industry consultant Jeffrey Scott, president of Jeffrey Scott Consulting. "You need to pay attention when Amazon enters into a marketplace. It can make markets, and it can destroy markets if it wants to."

Other services, like Lowe's Pro Services in partnership with Porch, have tried to match homeowners with professionals with limited success, but Scott says he thinks Amazon's offering has a good chance of working, if Amazon remains committed to it.

"This service is going to attract new competitors into the landscape industry from outside industries," Scott says. "You might not get rich from lead-in services from Amazon, but if you're an expert at providing services, you'll expand your relationships."



HOW DOES IT WORK?

Amazon Home Services helps consumers find professionals in their areas when they are in need of services from lawn care and landscaping to assembling patio furniture. They can even rent a goat to eat their grass.

Buyers visit Amazon.com/services, type in their ZIP codes, look through the available services and pick a professional. They also can view the pro's profile page, including reviews and company overview.

Professionals set prices for standard services, like mowing for four hours, delivering and installing 2 cubic yards of mulch or trimming three to four shrubs.

Prospects also can request specific landscape work, defining where the work will be done (such as front yard, driveway, etc.), when they need the service done and any other specifics. Those messages are sent to landscapers in their areas, and the pros reply with free estimates.

Once the consumer chooses a professional, he or she can schedule an appointment to have the work completed. Payment goes through Amazon, and companies are paid within seven days of completing the services.

Amazon collects a fee from professionals using Home Services only after the work is completed, and there's no charge for leads or advertising. For standardized-scope services, the fee is 20 percent. For custom-scope, customer-defined services, the fee is 15 percent. For recurring services, such as lawn maintenance, it's 10 percent.

These fees cover invoicing, payment processing, fraud protection, marketing, advertising, seller tools and customer service. Amazon deducts the fees as a percentage of the service price, excluding any taxes collected through Amazon tax services.

Amazon is built so its visitors come ready to make purchases.

"High-quality clients are on Amazon, and they want shopping to be easy and fun," Scott says. "Homeowners are going to begin testing it out, especially if they are dissatisfied with their current contractors. Amazon Home Services will be a way for them to find people who are deemed dependable through Amazon's trustworthy rating system."

When consumers are ready to look for a pro, they can search Amazon Home Services by their ZIP codes to find services—helping businesses reach local prospects.

"We want to help them get their business in front of customers in their neighborhood who are actively shopping for services and help take care of things like invoicing and scheduling," Lathia says.

WHO'S USING IT?

Ninety percent of the companies on the platform are small- and medium-sized businesses, Amazon says, although it declined to define what it means by "small" and "medium."

One professional who uses Home Services is Christian Waugh, owner of NY Landscape Lighting in Yorktown Heights, N.Y. After doing well on Amazon Local, a daily deal site similar to Groupon, he says he decided to participate in Home Services, too.

"We joined it to try and get more business," he says. "It has a good theory behind it."

Waugh has also used similar sites, like HomeAdvisor and Angie's List, in the past.

"It's just another way for companies to advertise and get in with a new customer," Waugh says. "You might not make as much upfront, but you make that connection that could lead to additional projects."

His business offers landscape lighting, irrigation, mosquito spraying and holiday/event lighting services for residential and commercial properties. Its annual revenue is \$600,000.

Waugh joined Amazon Home Services about five months ago and has received several requests for his services, although none have turned into jobs yet.

He says it took about two to three days to be approved to join Amazon Home Services after submitting his company information, such as certifications and insurance, to Amazon.

He's found an important aspect to reaching more potential customers and selling services is having a good profile on Amazon.

In the beginning, there were a few kinks to work out, Waugh says, such as people calling asking if he offered goat grazing (a real service offered on the site).

"We get a lot of people who are just trying to figure out what it's all about," Waugh says.

BROWSE Users can search for landscape services like mowing, trimming, design/build work and more.



Lawn, Garden or Yard Maintenance - 2 Hours by Amazon Home Services
We're sorry, no pros near ZIP 10001
Available in select cities
We're continuing to expand and expect to add this service soon.



Porch Swing Installation by Amazon Home Services
\$200.00
2 offer(s) near ZIP 10001
Amazon Home Services
Hand-picked pros. Backed by our Happiness Guarantee.



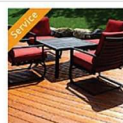
Hire a Landscaper by Amazon Home Services
Pros are available in ZIP 10001
Amazon Home Services
Hand-picked pros. Backed by our Happiness Guarantee.



Mailbox Installation - Post Mounted by Amazon Home Services
\$70.00 - \$110.00
8 offer(s) near ZIP 10001
Amazon Home Services
Hand-picked pros. Backed by our Happiness Guarantee.



Lawn Mowing - 4 Hours by Amazon Home Services
We're sorry, no pros near ZIP 10001
Available in select cities
We're continuing to expand and expect to add this service soon.



Patio Set Assembly - 6 pieces by Amazon Home Services
\$159.98 - \$200.00
8 offer(s) near ZIP 10001
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TRYING IT OUT NY Landscape Lighting offers a variety of outdoor services on Amazon Home Services, and it hopes the site will be especially helpful with selling its holiday lighting services this winter.



DIFFERENT OPINION

There are other professionals, like Kirk Brown, owner of Kirk’s Lawn Care in Spring City, Pa., however, who won’t use Amazon Home Services.

“My company is at a point where we are well known within our service area, and our normal marketing mediums have been highly effective in generating new job leads,” Brown says. “I also do not believe in setting flat rates for services within our industry due to the amount of variables that each property may have. I always visit a property and meet with the customer before pricing is discussed.”

Waugh agrees it’s important to visit the prospect’s home to do a proper evaluation instead of only giving an estimate online.

Brown’s business has an annual revenue of \$130,000 and offers mowing, lawn aeration, overseeding, new lawns, mulching, mulch recoloring, spring/fall cleanup and snow and ice removal for residential and commercial clients.

Brown believes the service will attract bargain hunters looking for the lowest prices among local landscapers.

“I mean, you go to Amazon for the deals, right? My company goal is to provide quality services with excellent customer service, and we always try to market the value of using our company rather than the price,” Brown says. “I don’t feel that the buyers using this service are our target clients.”

Looking ahead, Brown says he thinks Amazon Home Services will drive down the cost of services.

“In my opinion, home services cannot be formed into apples to apples comparisons like products,” he says. “Even if the end result is similar, each contractor has a different way to do things, different equipment to complete tasks and different customer service approaches.”

Taking away the first estimate visit makes the landscaper-client relationship impersonal, Brown says. That



Kirk Brown

can be detrimental to the project, because it's important to build trust with customers, he adds.

"I don't feel trust is something that contractors can convey through a computer screen," Brown says.

Overall, he says Amazon Home Services and similar websites don't fit into his company's values and the direction it's headed.

"Our main focus has never been on competing to be the lowest-priced contractor," Brown says. "I would much rather shoppers read customer testimonials, view project pictures and learn about our company directly on our website that we have full control of rather than Amazon's site."

LOOKING AHEAD

Pros who decide to participate in Amazon Home Services should be organized to be successful, grab more of the market share and set themselves apart from the competition.

"If you're a low-quality provider or unorganized, you're not going to make it," Scott says. "You have to raise your own bar in order to be competitive in this new economy."

Amazon Home Services is still in the early stages, so Scott says it isn't crucial for landscape companies to join right away. But they need to be prepared for it, he adds.

"Homeowners are always complaining about the lack of responsiveness of their contractors," Scott says. "You must either solve this problem yourself or be overtaken by a competitor who does."

For professionals who do join the service, Scott says they should be prepared for a few bumps in the beginning, but they should work themselves out, assuming Amazon is committed to making this work.

"You're going to get a lot of distraction calls through it at first, but that's always the case when something is newer," Scott says. "When I was running my landscape firm and we'd try a new marketing program, it would often have a few months or a half year of distraction with shoppers



HOW TO GET APPROVED

Professionals who want to offer their services through Amazon Home Services have to be invited to join. The site only invites professionals who have a strong track record of service quality, says Bhavnish Lathia, general manager at Amazon Home Services.

"We screen through a combination of media searches, online interviews and reference checks," Lathia says. "We conduct comprehensive business background checks and require each pro traveling to (customers') homes to pass a six-point criminal background check."

The professionals also must maintain any required trade licenses and insurance and keep them on file with Amazon.

Those interested in being invited to participate can visit amazon.com/sellingservices to be considered. The form asks pros for their names, company name, address, phone number, email address, website (although not required) and a link to a third-party review, like Yelp or Angie's List.

calling us. Then, it would work its way out, and we got better leads. If Amazon stays focused to improvement, then it could become viable."

As the Uber effect continues to spread across all industries, Scott predicts Home Services will become even more instant, allowing

customers to have a pro at their home within a day or two.

"The old way of shopping, such as through referrals, isn't going to disappear," Scott says, "but now, there's a new channel available." 

Dowdle is an Alabama-based freelance writer.



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