

APPENDIX 3.1
(referred to in paragraph 3.37)

NOP survey of Mountfield, Westwood and Laser dealers

1. NOP undertook a telephone survey for us of Mountfield, Westwood and Laser dealer and sub-dealer outlets. NOP asked each outlet what makes of mowers they sold; and for the ride-on mowers, what makes they did not sell and how far away was the nearest outlet selling such makes. NOP also asked the outlets for information about sales and turnover and whether any manufacturer or importer had sought to place restrictions on them in any way. The results of the survey are presented below.

2. In total NOP contacted 393 outlets of dealers and sub-dealers, selected from a list of Mountfield, Westwood and Laser dealers. Some of these outlets dealt in the mowers of just one of these companies, some for two and some all three. In total 214 were dealers or sub-dealers for Mountfield, 207 for Westwood and 62 for Laser. The outlets were asked what their sales of domestic mowers were in 1989. The figures show that over one-quarter of petrol-powered walk-behind mowers sold in the United Kingdom were sold through these outlets and over a half of ride-on mowers. These outlets, however, accounted for under 5 per cent of electrically-powered walk-behind mowers sold in the United Kingdom.

3. Table 1 shows the number of these outlets selling the main makes of electrically-powered walk-behind mowers. Of the 325 outlets that sold Mountfield electrically-powered mowers most sold a competitor's mower in the same price range as the Mountfield.

TABLE 1 Number of outlets selling electrically-powered walk-behind mowers

	<i>Number</i>	<i>% of total</i>
Total	370	100
Of which:		
Mountfield	325	88
Electrolux (Flymo)	269	73
Blue Circle (Qualcast)	219	59
Black & Decker	74	20

Source: MMC.

4. Table 2 shows the number of outlets selling the most frequently mentioned makes of petrol-powered walk-behind mowers. Table 3 shows, for those outlets selling a Mountfield or Westwood mower, the number selling other makes of petrol-powered walk-behind mowers.

TABLE 2 Number of outlets selling petrol-powered walk-behind mowers

	<i>Number</i>	<i>% of total</i>
Total	391	100
Of which:		
Mountfield	346	88
Westwood (IBEA)	143	37
Mountfield and Westwood combined	365	93
Tomkins (Hayters)	272	70
Blue Circle (Atco)	243	62
Electrolux (Flymo)	225	58
Blue Circle (Qualcast)	200	51
Honda	116	30

Source: MMC.

TABLE 3 For outlets selling Mountfield or Westwood petrol-powered walk-behind mowers, the number selling other makes of petrol-powered walk-behind mower

	<i>Number of outlets</i>	<i>% of total</i>
Outlets selling:		
No other petrol-powered mower	9	2
1 other	34	9
2 others	48	13
3 others	75	21
4 others	80	22
5 or more	<u>119</u>	<u>33</u>
Total	365	100

Source: MMC.

5. Table 4 shows the number of outlets selling the most frequently mentioned types of ride-on mowers. Table 5 shows, for those outlets selling a Mountfield, Westwood or Laser ride-on mower, the number selling other makes of ride-on mowers.

TABLE 4 Number of outlets selling ride-on mowers

	<i>Number of outlets</i>	<i>% of total</i>
Total	381	100
Of which:		
Westwood	229	60
Mountfield	135	35
Laser	86	23
Blue Circle (Atco)	115	30
Tomkins (Murray)	90	24
Lawnflite	75	20
Honda	70	18
Toro Wheel Horse	69	18
Electrolux (YardPro)	20	5

Source: MMC.

TABLE 5 For outlets selling a Mountfield, Westwood or Laser ride-on mower, the number selling other makes of ride-on mower

	<i>Number of outlets</i>	<i>% of total</i>
Outlets selling:		
No other ride-on mower	71	22
1 other	103	32
2 others	75	24
3 others	48	15
4 others	9	3
5 or more	<u>13</u>	<u>4</u>
Total	319	100

Source: MMC.

6. Where an outlet did not sell one of the main ride-on mowers, it was asked how far away was the nearest outlet selling that ride-on mower. Table 6 shows the results.

TABLE 6 Nearest outlet for ride-on mowers not sold

	<i>Number of outlets not selling the model</i>	<i>Number of outlets giving distance</i>	<i>Average distance (miles)</i>	<i>Percentage of outlets saying under 5 miles</i>
Lawnflite	63	63	7	35
Honda	312	284	11	35
Mountfield	247	229	12	46
Westwood	153	136	12	38
Tomkins (Murray)	292	274	13	40
Laser	296	173	14	28
Blue Circle (Atco)	267	234	15	32
Electrolux (YardPro)	362	124	16	27
Toro Wheel Horse	313	219	21	19

Source: MMC.

7. The average turnover of the outlets covered was £707,000, excluding those which did not provide this information. Detailed figures are shown in Table 7. Where the information was provided the average turnover from selling lawnmowers was £170,000. Detailed figures are shown in Table 8.

TABLE 7 Total annual turnover of outlets

	%
Under £250,000	36
Within £250,000 to £1,000,000	39
Over £1,000,000	25
Total	100
Average turnover	£707,000

Source: MMC.

TABLE 8 Annual turnover of outlets from domestic mowers

	%
Under £50,000	36
Within £50,000 to £200,000	41
Over £200,000	23
Total	100
Average turnover	£170,000

Source: MMC.

8. Dealers were asked whether any manufacturer or importer had tried to restrict them in any way and, in particular, whether any manufacturer or importer had:

- (a) restricted, or attempted to restrict, the prices at which they could sell mowers;
- (b) ever required, or attempted to require, that they stock the manufacturer's or importer's full range of domestic mowers;
- (c) required that they sell a specified number of the manufacturer's or importer's mowers to keep the dealership;
- (d) ever required, or attempted to require, that they stock a part of the manufacturer's or importer's range that they did not wish to stock;

(e) restricted, or attempted to restrict, the geographical area in which they could sell a domestic mower or open a new outlet; and

(f) asked them not to stock another manufacturer's or importer's product.

9. Table 9 shows the percentage of outlets saying that a manufacturer or importer had attempted to restrict them in one or more of these ways. The most common factor was attempting to restrict the price at which a mower is sold. The least common was asking a dealer not to sell the product of another manufacturer or importer.

TABLE 9 **Restrictions on outlets attempted by manufacturers or importers**

Number of outlets answering question	266
Outlets asked to:	%
(a) Restrict price at which product sold	56
(b) Stock full range	44
(c) Sell a specified number of mowers	41
(d) Stock part of range outlet did not wish to stock	38
(e) Not sell outside area	33
(f) Not stock another manufacturer's or importer's product	14

Source: MMC.

10. Dealers were asked which companies had attempted to restrict them. A number were mentioned. This survey, however, provided no information on how successful the companies had been at restricting their dealers. We undertook a telephone follow-up survey to check on how manufacturers or importers were attempting to impose these restrictions. In the case of the Ransomes group, apart from the restrictions in the dealer agreements (see paragraph 3.47), there were no enforced restrictions. Their sales representatives did, however, try to persuade dealers to stock a full range and at the start of the 1990 season were asking dealers not to discount prices to the public.