



EARLY ADOPTION OF PROPANE PROVES LUCRATIVE FOR LARGE EQUIPMENT DEALER

A PROPANE CASE STUDY

TEXAS POWER EQUIPMENT DEALERSHIP DIVERSIFIES BUSINESS MODEL, GROWS SALES WITH PROPANE

With two locations in Austin, Texas, McCoy's Lawn Equipment Superstore has been selling outdoor power equipment and providing parts and service to customers since 1993. The dealership also rents equipment and handles propane conversions and refueling. In its nearly 20 years of business, McCoy's has grown into one of central Texas's premier dealerships, thanks to its breadth of equipment and knowledgeable staff. The dealership has become a trusted name in the outdoor power equipment industry, with a mission of providing superior customer service.

EARLY LEAP INTO PROPANE PROVES LUCRATIVE

When McCoy's added propane mowers, conversions, and fuel to its product and services lineup in 2007, the dealership was ahead of many, especially in Austin and the surrounding area. According to Jay Godfrey, McCoy's president and co-owner, it took a couple of years for the dealership to see results.

"We're certainly happy we adopted propane, but the trend was slow to build momentum," Godfrey explained. "We're seeing return on our investment now as customers become more educated and accepting of alternative fuels."

The dealership's early adoption of propane gave them an immediate advantage over

area competition, which they're still experiencing. Most other local dealerships have yet to add propane to their product and service offerings.

McCoy's partnered with Onyx Environmental Solutions to train staff on conversions and proper use of Onyx certified kits. Today, McCoy's can convert anything with an engine, including mowers, trucks, and generators, Godfrey said.

"Initially we did about 40 to 50 conversions a year, but it has leveled off to about 20 to 25 now that equipment manufacturers are making propane mowers," said Godfrey. "We're seeing contractors buying new propane mowers with 52-inch or larger decks from manufacturers, so we convert lots of mowers with smaller decks."

COMPANY

McCoy's Lawn Equipment Superstore

CHALLENGE & SOLUTION

When McCoy's added propane equipment and conversions to its service model in 2007, the power equipment dealership invested in training and equipment to overcome misconceptions about the alternative fuel. Propane now comprises 20 percent of the dealership's total sales and differentiates them from competitors.

BENEFITS OF PROPANE

- Early leap into propane sales and conversions gave McCoy's a competitive advantage over other dealerships.
- Commitment to educating contractors on propane's benefits builds lasting business relationships.
- Propane equipment attracts new business, government contracts due to lower emissions and environmental benefits.

Godfrey estimates approximately 20 percent of McCoy's sales come from propane compared with gasoline and diesel sales. Larger contractors have more interest in propane because of the cost savings and return on investment with a larger fleet. They can also replace or convert several mowers at a time.

Additionally, Godfrey says propane has helped the dealership attract new business, particularly from contractors who maintain city and school district properties. The city of Austin, including the Austin school district, began giving preferential treatment to contractors who run alternative-fuel fleets a few years ago. "We worked directly with the Austin school district to convert 17 mowers, and they're currently preparing to buy more factory units," added Godfrey. "The state capitol won't take bids from contractors who don't run propane, either."

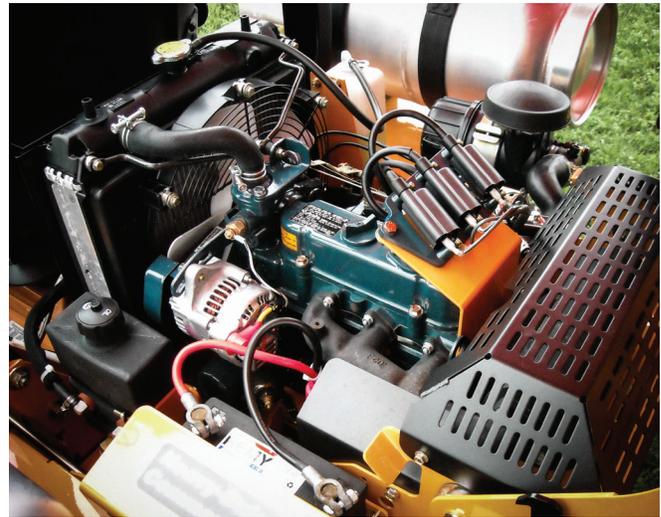
EDUCATING CUSTOMERS KEY TO PROPANE ADOPTION

Simply adding propane conversions and mowers to its array of products and services did not translate into immediate customer adoption. Not only did Godfrey have to invest in training to educate his team internally, but he also had to educate customers.

"We have to point our customers in the direction of propane," explained Godfrey. "The easiest way to do that is emphasizing fuel cost savings. That's something they can immediately understand and appreciate, especially the larger contractors. By educating our customers and providing honest recommendations, we also build trust."

In addition to selling propane models, McCoy's offers customers the convenience of refueling at the dealership. Both Austin locations have a 1,000-gallon propane tank on site. When contractors have a need for bigger volumes of propane, McCoy's sets them up with a local propane dealer who delivers cylinders or installs refueling infrastructure on site.

"Refueling is also part of our education process. We highlight the ease of a cylinder exchange program and reassure contractors



of propane's safety. There are a lot of misconceptions about propane, but it's as safe as gasoline."

McCoy's strategy of educating contractors early on has started to pay off. Contractors who initially converted a few mowers have continued converting or replacing gasoline mowers over the years, and smaller contractors who didn't want to replace just one mower a few years ago are now buying new propane models.

"Early adopters of converted mowers are now coming back and replacing their entire fleet with propane mowers and switching to propane autogas trucks," Godfrey said. "They've realized the incredible cost savings and have continued to replace older mowers with new propane models, gradually building an alternative-fuel fleet."

"The contractors I know who've received the PERC incentive are not only excited about the money they get back, but they've come to prefer using propane. They're happy campers when they see how much they're saving, and in turn, they want to transition the rest of their fleet."

FOR MORE INFORMATION

To learn more about propane-powered lawn care equipment and the Propane Education & Research Council, visit propane.com/commercial-landscape.

For more information about McCoy's Lawn Equipment Superstore, visit mccoyslawn.com.

Propane Education & Research Council / 1140 Connecticut Ave. NW, Suite 1075 / Washington, DC 20036
P 202-452-8975 / F 202-452-9054 / propanecouncil.org

The Propane Education & Research Council was authorized by the U.S. Congress with the passage of Public Law 104-284, the Propane Education and Research Act (PERA), signed into law on October 11, 1996. The mission of the Propane Education & Research Council is to promote the safe, efficient use of odorized propane gas as a preferred energy source.