Weather, Operating Expenses Hurt

Pro Total Income Is Up But Profits Are Down

By HERB GRAFFIS

Pro revenue for 1956 from playing equipment, apparel, lessons, club-cleaning and storage and bag and car rental — will be slightly ahead of 1955, but the pro’s net profit for this year is lower.

Professionals who are well informed on the golf business situation in their respective area collaborated again with GOLFDOM in reviewing the year’s business. Estimates, however, may be changed slightly by Christmas business which is becoming a steadily increasing source of revenue to professionals.

Two adverse factors cut down profits: Considerable increase in operating expenses (mainly salaries of assistants and club-cleaning boys); and weather in the spring and early summer which “stunk like hell,” according to Bill Dalgety, pres., Central N. Y. PGA, and was just as bad in many other sections as it was in central New York.

The weather knocked down ball sales to an extent that wasn’t recouped despite excellent play in summer and early fall and normally good conditions throughout the playing year in a few sections of the pro field. Ball sales at pro shops are expected to run 5 to 7 per cent lower than last year’s high figure. Pro ball sales are believed to have suffered less than sales of other retailers.

Club and Bag Sales Up

Club and bag sales at pro shops will show an increase. Clubs, as near as pro authorities can estimate, will run about 5 per cent ahead of last year’s volume at pro shops. Bags will score about 10 per cent in dollar volume ahead of 1955 sales at pro shops.

Club sales by pros at the larger clubs accounted for most of the increase. Pros at the smaller clubs think that the increase in prices of the top grade clubs is beginning to cramp buying.

Apparel sales seemed to be less affected by weather than sales of playing equipment. Increase in apparel sales was reported by observers in almost all of the 31 PGA sections. Several pro correspondents reported a strong trend toward higher quality, higher-priced apparel in pro shops and the few who commented on the reason for this trend, believe that even with more attention being paid to higher values and prices the pro shop still is selling apparel at lower prices than other first class retailers.

Store competition is reported as about the same as last year in 12 sections, stronger in 10 sections and as an uncertain factor elsewhere.

The competition that really is paining pros is that of the discount houses. Pros admit that this cut-throat competition is brutal to other conventional high class retailers but is murder to the pro who is expected to give considerable free service regardless of his costs.
Trade-in allowances on clubs to a marked degree have offset competition of the discount stores and other retailers and have accounted for a pretty good percentage of sales of top grade new clubs. Trade-ins also have helped a lot to supply juniors and other beginners. The trade-in allowances don't seem to have been as wild this year as in 1955 but still are dangerous.

The 153 new courses opened this year probably represent a greater part of the gain in number of rounds played this year. Play at courses that were closed upon being sold for residential or business sites is reported to have been absorbed by existing courses which now are at convenient capacity.

In every section women's golf play increased this year. As closely as pro authorities can figure, it accounts for about 25 per cent of the total rounds of play which is expected to near 70,000,000 for the year. In several sections women's play is increasing by 50 per cent over last year. Frequently pros reported that about 30 per cent of the play in their districts was by women.

But the volume of women's business at pro shops still hasn't kept pace with the increase in women's play. At only about 20 per cent of the clubs is women's buying at pro shops in line with the extent of their play. Whether this is because a woman doesn't buy golf goods at the rate a man does, or whether the women are buying golf goods elsewhere, isn't clear yet. But more pros are putting more accent on merchandising to women golfers.

Pros' estimate of the amount of business in golf equipment that their players do outside the pro shops ranges from 10 to 50 per cent. The national average, according to reports to GOLFDOM this year, is about 31 per cent. On a dollar-and-cents basis that isn't too far out of line with manufacturers' association figures and the distribution of private, semi-private and public courses.

Junior Picture Bright

Again, the brightest long range view of the entire pro business picture was junior golf. In almost every section junior golf increased and in no section was a loss in junior play or lessening of junior golf interest reported. Several sections mentioned increases of from 60 to 100 per cent in junior class participation and play over last year.

Only a few pros reported that cost of doing pro shop business in their sections this year was approximately the same as in 1955. In 27 sections pro department operating costs hiked, sometimes as much as 25 per cent over the previous year. The national average of reported increase in operating costs was 10½ per cent.

Problems that the pro authorities believe will be tough ones in 1957 are:
Increasing costs of pro operation;
Difficulty of getting qualified and ambitious assistants who are willing to work for incomes the business can afford to pay;
Increasing pro department revenue;
Closer watch of inventories, trade-ins and search for economies that won't decrease standard of service;
Better display;
Getting officials to educate members in their reciprocal obligations to the professional;
Overcoming resistance to higher prices of golf goods;
Manufacturers' deliveries;
How far to go with cheaper playing equipment in balancing pro shop stocks.

Weitzel Dies Following Crash

John Weitzel, 33, Hershey, Pa. pro, died on Sept. 18 from internal injuries suffered nine days before in an automobile accident. Winner of the Pennsylvania Open in 1955 and 1956, Johnny was signed to the Golfcraft advisory staff last spring. He was a Purple Heart veteran of World War II and had been at Hershey CC since 1953.