Reports on pro shop business

HURTING BUT HOPEFUL

East

By Gerry Finn

NEW YORK—People in the East are playing the stock market more, enjoying it less, and golf is feeling somewhat of a pinch in the bargain. However, the state of the national economy has not taken a clear-cut effect on pro shop sales throughout the area. One pro claims he is enjoying an upswing in golf equipment because of the four-year cycle.

“This just happened to be the fourth year I’ve been at my club,” he says. “And four years average out as the length of time a golfer stays with one set of clubs. Consequently, my equipment sales are up 20 per cent.

“But, I don’t think you can look at my club and call it typical,” he continues. “Our few members, who rely on the stock market for the bulk of their revenue, are an older crowd. So, they don’t play much golf anyway. They aren’t the ones who affect the business here.”

Another metropolitan area pro doesn’t talk cycles or age brackets. “We’re down 20 per cent in all sales,” he moans. “Half of the people at my club are brokers. They’re in the stock market up to their ears and I can hear the prices tumbling with them.” The only sales keeping pace with the past for this professional are those in golf balls.

One of the most affluent clubs in the metropolitan area, and in the country for that matter, is just beginning to feel the grind of a slumping economy. Its pro says:

“My whole first quarter was off 10 per cent,” he started to reel off a discouraging report. “But that only tells half of the story. We’re strong here on people working at and playing the stock market. Just from a random look at my figures for the last two months, I’d say things keep getting worse.”

Central

By Joe Doan

CHICAGO—Government economists who spent the first half of 1970 justifying the Nixon austerity program and probing for signs of imminent economic recovery, could have done worse than come to golf professionals and club managers, in the Chicago area at least. Neither the professionals nor the managers in that part of the country would have been effusive in describing business conditions at their clubs, but at the same time they wouldn’t have uttered dark proclamations that things were going to hell en masse. Through the end of July just about everyone agreed that both the shops and the clubs were breaking even or possibly coming up slightly on the plus side—that is, in comparing the early part of 1970 with a like period in 1969. Almost all of these people agreed, too, that the second half of the current season was going to be better since business started to come on strong in July.

GOLFDOM interviewed the proprietors of 18 pro shops and at least 14 of them said that as of late July, 1970, sales were ahead of 1969. The percentage was not large in a majority of cases. And the same professionals who confessed to enjoying sales gains for the current season, wouldn’t go so far as to say that their net profit was commensurate. The reason is that the truck strike, which lasted from early April until July 6th, resulted in professionals having to pay higher than normal costs to have merchandise shipped in. The professionals suffered, too, because a fairly substantial percentage of their sales was cancelled because merchandise couldn’t be brought through the trucker blockade.

In the estimation of several pro-
Most professionals agree that the tight money situation has cooled forecasts of record sales in 1970. But in general, pro shop sales are at least holding their own and pros are optimistic about the future.

By Don Curlee

SAN FRANCISCO—Golf operators in northern and central California can't ignore the background music of tight money and nose-diving stocks, but some of them have found many ways to make the cash registers ring loud and often enough to drown it out.

Generally, the large public and municipal operations are weathering the economic downturn better than private clubs.

One of the larger municipal courses reported a business volume increase of 13 per cent for the first five months of 1970 over the same period in 1969. The professional believes that a major reason is an increase in green fees which has eliminated some of the "old guard" monthly tickets who tied up the course previously. He's getting a bigger turnover, "and more of them have dollars in their pockets," he says. The different clientele brings increased electric car use, and ironically, a 20 to 30 per cent increase in shoe sales.

One of San Francisco's oldest clubs is comfortably ahead of last year in every department of the pro shop. Unfortunately, expenses are up also but are under control. Net profit through April was more than three times the figure for the same rainy 1969 period. Gross revenue for four months this year is ahead of last year by about 11 per cent, aided by men's wear sales of $23,000 and sales in two other categories—clubs and bags and golf balls—each over $20,000.

The club manager at the same facility reports a waiting list of two years and says this is partly the result of a consistently low initiation fee ($2,500), whereas many clubs in the area are much higher.

Another large municipal operation reports an increase in business of 10 per cent over 1969, "mainly due to weather," according to the professional. He says that he has undertaken a little more floor promotion also, but admits: "We go by sunlight," and sun has been in good supply this year. He feels that lightweight steel shafts will stimulate club sales for the next five years and has found it advisable to "stabilize" his shoe inventory in the $18 to $21 range.

Tight money and stock market reverses had a direct effect on the operation of another private club on the San Francisco Peninsula. "About 5 per cent of our members found themselves in a bind," the manager says, "and put their memberships up for sale." The going price is about $4,300 currently, whereas a membership certificate purchased directly from the club is $6,000. "Movement of membership certificates was much more active a year and a half to two years ago," the manager says, "before the big drop in the stock market."

The professional says his 1970 sales are down 20 per cent from 1969, with club sales lagging 40 per cent behind last year. "People are working more and playing golf less," he says. The failure of touring professionals, he feels, to play aluminum-shafted clubs has hurt sales and has resulted in confused club members whose reaction is to wait rather than buy. "They'll buy a sweater in the $10 to $30 range," he says, "but they back off when they consider spending $400 to $500 for new clubs." He adds that women's apparel sales are "way down," but he's optimistic about an increase in all departments in the fall, and is carrying a good inventory in preparation.

One professional in central California, where the predominantly...
And we are worrying. Our membership is in deep trouble. The same pro says he has his own way of beating the economic strain on his livelihood. “Our members are competitive,” he says, “and this is my opening to keep sales humming. We have reached a point where 70 per cent of my sales come from tournament credits. In this way I keep my members happy and my cash register ringing. Otherwise, I’m afraid my sales would be dragging too.”

Of all the public courses contacted, one—located in an area where industrial layoffs and labor strikes have poked their ugly heads into the picture—has all the makings of coming up empty at the end of the sales year.

Its pro is still hopeful for a rebound. “I’m not worried about the people playing the course,” he reasons. “However, it’s the ones not playing who are hurting my sales. Right now we are running 5,000 rounds behind last year. If it continues our play could be off 15 per cent.”

The final yardstick for reviewing the revenue the golf professional hopes to realize this season comes down to the question of numbers—numbers in members.

Most haven’t felt the pinch, except those middle-upper clubs whose hefty assessments have driven certain members to seek out less loftly facilities.

There is one notable example in this direction. It experienced a drastic cutdown when 60 members dropped out. Once again this occurred at the “stock broker type” of club. “They just up and left us,” the club manager wails. “I can’t explain it other than the fact that our membership is in deep trouble. And we are worrying.”

The economic situation, then, is starting to gnaw away at the earning power of the golf professional. At this point the effect is drifting from minimal to conclusive stages. It certainly is not a healthy state, but neither are other avenues of income.

Central

steel shafts. With the exception of two manufacturers, the industry never made it to market with stainless-steel shafted clubs. But when manufacturers put new emphasis on lightweight steel shafts, it was hoped that the lost Christmas business would be made up. It wasn’t. Spring sales were no better than normal, at best. On top of this, the truck strike caused some cancelled sales. But the real reason why there wasn’t at least a small boom in club sales is that many golfers chose to ride out the mild economic storm by staying with their old clubs. Now, the professionals are hoping that this year’s Christmas business will get everything straightened out.

There is a lot of fluctuation in the minus and plus figures for sportswear submitted by the shop operators. A few professionals report that men’s and women’s sales are up by as much as 15 or 20 per cent, but just as many say that their sportswear sales have dropped by an equally large percentage. All in all, women’s volume for 1970 is no better than it was in 1969. Men’s sales have increased by an average of about 3 per cent. Most professionals note that women seem to be inclined to retrench more than men.

Male sportswear business probably would have suffered quite a sharp slump in 1970 if it hadn’t been for the introduction of the polyester or dacron knit slacks that sell at $35 or more a copy. The slacks have saved their season. Sales of these items alone have lifted sportswear sales of 80 per cent of the 18 professionals interviewed above last year’s or at least enabled them to stay abreast of 1969 volume. Without the knits there is no doubt that the complaints of the shopmasters would have reverberated all the way back to the garment district.

John Marshall who is the professional at Medinah CC, which has one of the largest and best-stocked shop in the Midwest, if not the country, pronounces the knits “fantastic.” But even with the boost they gave his early season sales, his men’s volume was off 2 or 3 per cent at the end of July. So, it is easy to see why he is so lavish in endorsing them. At Olympia Fields, where there are more than 450 golfers, sales of the slacks had exceeded 300 pairs by midsummer.

Eleven of 16 professionals who keep figures on lesson business reported that it was up for 1970. Play at 10 of the reporting clubs was higher through July than it was in 1969. At four clubs it was about the same as last year; four clubs reported a decline.

Manufacturers’ sales figures coincide with those of the professionals. Four of the large club and ball suppliers report that their Midwest volume is the same or slightly better than it was in 1969. Sportswear suppliers think they may be breaking even on sales in 1970, as compared to 1969. But everyone agrees that due to the truck strike, which was drawn out for 85 days in the Chicago area, profits for 1970 won’t be as large as they were in 1969. The experience of one equipment company, described by its sales manager, generally sums up the situation. “From a sales standpoint we were having a very good year,” he says. “Volume for the first half was up 5 per cent; we had the best May sales on record. But when the distribution costs were totaled, we found that what was being taken in with the right hand was doled out with the left. So, for the first six months of 1970 we were happy to show a small net profit.”

West

agricultural economy has taken lumps, reported “super” business—30 to 50 per cent ahead of 1969. However, he says other club professionals in the same area had indicated to him that their sales are down. Since moving up to head professional from assistant in April, he has added a “nicer line of ladies’ dresses and a new men’s shirt,” which have given a boost to soft goods sales. He said weather has been ideal through the spring and early summer and added this observation: “The members here wanted me to have the professional job so badly, I think they ‘saved up’ their purchases and are buying heavier than normal now.” Needless to say, he appreciates their support.