

## THE PRO SHOP SALE:

The sale, properly integrated into the professional's merchandising plan, can be a useful tool for increasing business

by DICK FARLEY

# MAKE IT A PROFIT TOOL -NOT A NECESSITY

Not too many years ago, when a special sale was offered to the public, it usually meant that the retailer was in trouble. He had either purchased one type of item that did not sell (commonly known as a "dog") or he had misjudged his market and bought too many items.

At the same time, the retailer needed the cash tied up in the dead stock to buy fresh, sellable merchandise, to pay current bills or he may have wanted to clear out the old merchandise to make room on his shelves to display and sell the new items.

A sale became the obvious solution: Reduce the price on the current stock to tempt the price-conscious, bargain-hungry shopper.

The practice of moving dead merchandise via the sale has been so successful and has become so much a part of the American way of merchandising life, that the modern retailer has totally integrated it as a vital part of his over-all merchandising program; in fact, without the sale, the volume of retail business today would be nowhere near its record level.

Sales are planned and programmed

by modern retailers well in advance of the actual event.

The retail history of a particular operation is scrutinized, successes and failures pinpointed. It is then broken down into definite selling periods, with special emphasis on important occasions, such as Christmas, Mother's Day or Father's Day, when gift-giving is traditional.

All golf operations, year-around and seasonal, also have specific selling patterns, although they are not necessarily determined by special occasions. Each golf operation is unique and must be evaluated by management on its own merits: A program that works for one operation does not automatically spell success for another.

The modern professional-retailer not only plans his sales to handle the need to reduce his current inventory during times of the year, he buys also special items solely to sell during the sale, mixed into his regular stock. A very aggressive merchant might go one step further. He might

buy one special item to entice customers into his shop.

How does all of this work in practice? Let's look step-by-step at a northern golf operation. Here's how the professional might handle his annual end-of-summer clearance sale.

After analyzing the past year's business, the professional discovered that both men's and women's lightweight apparel, not sold by the end of August, could not be given away at any price, and might have to be carried over to the next year.

He's aware of the risk he runs if he stores the merchandise over the winter: The goods may be damaged by dampness or mildew, by rodents, moths or bugs; they won't look fresh next season after being stored for several months, and they will be out of date.

The last reason is vital. That fresh appearance that is so essential in creating customer interest,

*continued*



## SALE *continued*

especially at the beginning of a new golf season, will be lost.

The professional decided he would clear his shelves of all lightweight apparel by the end of August. Having made this decision, he set the date the sale was to start and determined how long it would last.

The length of time a sale should run varies with the type of course with which the golf shop is affiliated. At a private club, this time must be short, because the professional's market is limited usually to from three to six hundred people. A week for an end of summer clearance sale is adequate.

If the sale ran over a week, the shop's normal selling periods would be cut into, resulting in reduced potential profit. Because of the one week limitation, promoting the sale becomes very important. The professional must rely heavily on direct mailing to members and posters in the golf shop and around the club.

At public and resort courses the sale can run longer—two to three weeks—because the clientele changes continually. This factor makes direct mail promotions ineffectual, however.

Most promotional material is limited to the environs of the club grounds. Signs and posters placed strategically in the pro shop, locker rooms and clubhouse create customer interest.

At public courses, the same strategy can be used, augmented by local newspaper ads and local radio spot announcements.

Generally, the most successful sales offer the best values: Give liberal markdowns on sale items, not token discounts of from 10 to 15 per cent. The whole object of the sale is to move the merchandise out. It's no good sitting in storage and you can't take it home for dinner.

It's possible to regain some of the profits that were lost through markdowns by purchasing merchandise especially for the sale. Here's how many good retail stores do it. They know that most manufacturers discontinue some lines and offer them at close-out prices after the line has been in production for a certain length of time. For example, XYZ Pants offers a line of double-

knit slacks to the pro shop. These slacks carry an initial suggested retail price of \$29.95 and are sold to the professional for \$15. The slack line is discontinued on June 30 and offered to the professional for \$11.25 net. If the professional bought a quantity equal to his original purchase, the average cost per pair would be \$13. This new quantity purchased could be placed in with the original stock and sold at the regular \$29.95 until the sale begins. This increases the margin of profit per pair sold for the entire year. Then when these slacks do go on sale in August, the professional can offer a much better markdown, and a better prospect of moving them out.

The same procedure can be applied to golf equipment—clubs and bags—in much the same way as for wearing apparel. Golf equipment also is placed on close-out by the manufacturer at various times during the year. More often, however, it is available in the late spring or summer. Let the various sales representatives know that you are interested in this merchandise so they will put you on their list and advise you when it's available.

Another method of buying for the sale is simply to make an outright purchase of a summer item at a very low close-out price. It can be delivered to your shop just in time for the sale. The close-out price should not be less than 30 per cent off the regular wholesale price. Assuming that the item purchased originally sold for \$20 and cost the professional \$10, a 30 per cent close-out discount price would cost the professional \$7. He could offer it to his customers for \$12 (40 per cent off the regular \$20 retail price) and still make \$5 on every item sold.

Another type of item that can be purchased for the sale is known in the trade as a loss leader. This is an item that is specifically purchased to get people to come into the store so that they will be exposed to other sale items. It usually is a low cost item and is sold at little or no profit. It should have the broadest appeal to the greatest number of people—golf balls are an excellent example. A limit is placed on the number of units one customer may purchase at a time.

Another stimulant that can be used during a sale is to offer a bonus gift with the purchase of an item. Bonus items can be small golfing accessories, such as divot fixers, ball markers, a pair of golf socks, golf balls or a golf glove. Often the professional already has a large supply of items that did not sell well during the year. These would be ideal bonus offerings and would, simultaneously, clear out unusable but space taking items.

The best example of a bonus is a gift certificate redeemable in golf lessons with the purchase of a set of woods or irons. The value of the certificate, of course, would vary with the purchase price of the equipment. The certificate could take the form of dollars or could be for a specified number of lessons. A person buying a complete set of woods and irons naturally would receive more lessons than one who bought only a set of woods. The beautiful part of this program is that you are giving only time, no hard cash, which can be programmed when you have it to spare.

As a side bonus, this lesson approach will increase the number of regular golf lessons purchased during the year by your bonus recipients.

Above all, don't keep the sale to yourself. Display sale items prominently in the shop. Catch the customer's eye and make him aware of your super buys. Do anything short of tripping him, to get his attention. And, of course, your sales personnel should talk it up with everyone. Spend some time with them going over the sale items and explaining the excellent values that you are offering so they will catch your enthusiasm and pass it along to the customer.

To repeat. The three areas of a successful sale are 1) proper buying in your initial purchases and in purchases made to support the sale; 2) adequate markdowns, so that the sale is appealing to your customers, and 3) promotional methods to bring people into the shop.

Take a tip from the local retailers, especially the large chain stores, which are so successful in this field, and transform your sales into useful merchandising tools. □