

MERCHANDISING: Pro's Progress

For a viewpoint on how today's golf professional conducts his business and can improve his buying decisions, Jerry Claussen interviewed Charles Newton. At the time of the interview, Newton was president of Denver Golf & Tennis, a supplier of top-line equipment and merchandise to more than 1,500 golf course pro shops in 13 states. He recently sold this highly successful business at a reportedly handsome price. DG&T was a pioneer supplier to Rocky Mountain area pro shops, beginning in the 1930s. Newton and a partner bought the business in 1962 and acquired a similar company, Winter-Dobson of Dallas, in 1968. Newton subsequently became president of the combined wholesaling firm.

Drawing upon his years of experience as one of the country's leading pro shop distributors, Charles Newton talks about the merchandising practices of professionals and offers some sound advice.

GOLFDOM: What trends have you seen develop in the golf business over the last 11 years?

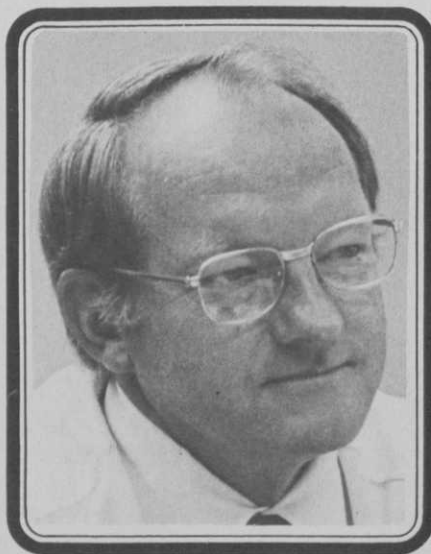
NEWTON: In the '60s, we saw the fun, dramatic growth of golf. We're now doing six times as much business as we did in 1962. Nationally, it has slacked off a bit since 1970, but areas, such as Colorado and the Texas Gulf Coast, will be big in the future.

GOLFDOM: How has this growth affected the club professional's business?

NEWTON: The golf professional is more sophisticated. He is better organized, better educated and more involved in his business. But even a good golf professional has to fight old stigmas. If he goes to the bank for money, the banker is nervous about doing business with him. Yet the credit situation in the golf industry is no worse than in other industries. You must just watch who you do business with.

GOLFDOM: Considering that the pro-

With the benefit of many years of experience, one of the country's leading pro shop distributors talks about the buying practices and errors that he has too often observed
by JERRY CLAUSSEN



NEWTON

fessional has changed in the last 10 years, have you changed your merchandising methods—how you reach and deal with the golf professional?

NEWTON: Serving our customers has always come first. We never let the phone ring or a customer wait to get help. Secondly, we try to display samples of our goods in the warehouse, so that when a professional comes in, he can see what's available. Most of our customers are impulse buyers to some degree, like the rest of us. Another change we made was to get into soft goods, the sales of which in the last five years have been fantastic. We have seen apparel cause a lot of excitement in the pro shop. Clubs and balls are

still the backbone of the golf shop business. But when a customer asks, "What's new?" we always have the answer in soft goods.

GOLFDOM: Why have soft goods become so predominate in many golf shop businesses?

NEWTON: Few golfers buy a new set of clubs each year. So, a shop needs to deal in disposable items, such as apparel, that get used and turn over. Today's golf apparel is casual, comfortable, sharp looking and easy to care for. This is what the pro shop can offer and it's exactly what people are looking for.

GOLFDOM: Are most club professionals aware of these style trends?

NEWTON: Nearly all the professionals with whom we deal know this. Some are better than others in selling it. You must understand that it is difficult for some professionals—athletes interested only in golf and teaching and fitting clubs—to be enthusiastic about soft goods. Most of them, though, hire assistants who know about buying and selling soft goods.

GOLFDOM: Is there still a marked trend toward hiring women assistants in the bigger shops?

NEWTON: Women as shop assistants has paid off. Women probably work in more than 50 per cent of the private and semi-private shops. The capable ones buy all the soft goods merchandise.

GOLFDOM: Does this mean that the head professional in many shops doesn't make all of the buying and merchandising decisions?

NEWTON: Yes. Our salesmen sometimes must call on two people: one for soft goods, one for hard goods. But we respect this delineation of jobs. We can do a better job for somebody who is educated in what we're talking about. All suppliers went through a period in the '60s of trying to educate the golf professional about clothes—what's available, why things are made

in a certain way and what the new styles were each year.

GOLFDOM: What methods do you use to keep golf professionals in your sales territories informed?

NEWTON: We have several. Our major suppliers publish catalogs; some imprint our name on them. These say hello for us all year, especially in fall and winter. We also publish our own catalog. We don't do special mailings because the professional gets too much mail and can't read all of it. We expect our salesmen to follow a schedule in calling on customers, especially in the prime urban markets. We have an obligation to our suppliers to call on every shop during the year. So, we try to get around as few as three times a year or as often as twice a month.

GOLFDOM: Do you find that most golf professionals are more astute businessmen than they were 10 years ago?

NEWTON: Definitely. The credit belongs to a handful of veteran golf professionals in almost every section of the country. They have trained and sent assistants to other jobs. The effect keeps multiplying. After 20 to 25 years, there's almost no room for an unqualified man. That's the way it should be. The professional should come up through the ranks and get the experience so that he can manage a pro shop. Some of the younger professionals are as good businessmen as they are teachers or golfers.

GOLFDOM: What are the differences between a professional who does well in business and one who doesn't?

NEWTON: The differences are more evident in smaller communities. The successful professional is interested in his community and its people, he puts in extra time, has imagination and interest in his shop. We have seen examples of professionals going into a small-town, nine-hole course and turning over super volumes. They've endeared themselves to their golfers. And yet other persons in the same kind of situations might not do one-quarter of the amount of business. A man who has educated himself in merchandising, watches national advertising, stocks quality goods, can do well almost anywhere.

GOLFDOM: Do most golf professionals buy too many or too few merchandise lines to stock their shops?

NEWTON: There's no answer in numbers. A professional must consider all

contingencies—the shop's physical size, type of clientele, overhead, what his resources are and what he can get. He can't, for example, stock only one brand of golf ball. Yet he shouldn't buy 20 brands. He should judge from members' requests and catalog in his own mind what his customers want. On the whole, though, most professionals buy too many lines. They feel obligated to order from everyone who calls on them. A professional shouldn't allow this to happen.

GOLFDOM: Are you saying the average professional buys and stocks more than he can afford to sell at a profit?

NEWTON: Not necessarily. There's an old saying, "You can't sell from an empty wagon." Occasionally, we spot a professional who is, say, "bag conscious." Subsequently, he overloads with bags compared to other items. The most common is the "putter nut," who carries more putters in his shop than we have in our warehouse. Professionals must put in a solid dollar amount of inventory, but they shouldn't go overboard on any one item.

GOLFDOM: How influential is the salesman, versus other sources, in the professional's buying decisions?

NEWTON: We've studied our territory and our merchandise thoroughly, so no one owes us anything. A professional who doesn't look at every line and give every salesman that courtesy is missing the boat. The professional stands to learn something from every salesman, because there's always something new. The Professional Golfers' Assn. Merchandise Show is a great "tire-kicking" time. But it's too big. Many professionals in the West can't attend. It's hard for any professional to order for his entire season at the show.

GOLFDOM: How much lead time do you need to fill professionals' orders for next season?

NEWTON: Most golf professionals still don't fully understand the industry's problems in planning and manufacturing goods for the next season. Our commitments—90, 120 or 180 days—must be made in October for the following spring-summer golf season. The whole process requires a certain number of days. We all would like to pick up the phone and get immediate delivery. But that can't be done anymore. The golf professional has to

help us pre-plan the selling season. All we ask for is a general indication of what we should order. It's up to us to do a good job of pre-season selling. But the professional makes the decision.

GOLFDOM: Are delivery and invoice terms more difficult now than a few years ago?

NEWTON: Not at all. The professional can request delivery for any reasonable date. If he wants delivery in March, normal payment terms are for April. And any first-class company can still deliver 90 to 98 per cent of any order, although it's getting more difficult to get certain products and materials. The price of wool, for instance, is up by 300 per cent.

GOLFDOM: What trends do you see developing in the pro shop business over the next few years?

NEWTON: A lot depends on whether the golf industry continues to grow. Right now, tennis is catching up in popularity. It's cheaper to build courts than a golf course; it's cheaper to play tennis than golf, and tennis is an easy sport for youngsters to get started in. Changes are occurring in the type of golf facilities being built. Golf is an enticement in many new real estate developments. Pro shops at these courses are possibly the only retail outlet close to home. These shops could end up broadening their scope, which means the golf professional also will have to expand into other product areas—be interested in women's wear, for example, be up on the newest materials and be more competitive with downtown stores.

GOLFDOM: Are golf professionals finally learning how to deal with their competition: the downtown, retail store?

NEWTON: No one has the final answer. The professional, of course, has an edge; he's conducting the game where it's being played. He has already established a rapport with golfers. It's a shame when members don't support their professional, but a professional can't expect that, if his prices are considerably higher than those downtown. If he looks around at the end of the season, he will find the high-priced items still on the shelf. He must always be aware of the existence of his competition, be innovative, create more golfing activity at his course as well as business for himself. □