



GOLF CARS: ARE CLUBS CASHING IN?

Back when the golf car first appeared on the scene, many in the market really wondered what this mechanical marvel would do for the business. It introduced thousands of new dollars into club revenues, but as its critics soon pointed out presented new problems for the superintendent in course maintenance.

Nevertheless, the golf car and its manufacturers introduced a new dimension into the industry and over 400,000 of the vehicles roam the tees and fairways of this country's courses every season. Fifteen companies currently make up the manufacturers group with many convinced that E-Z-Go and AMF Harley Davidson are in a heated battle for the market share left with the departure of Cushman from the business last summer.

From many club's standpoint, the car rental is probably the biggest generator of income compared to total income and of course, so

much of this is utilized in the payment of salaries along with purchase of other needed equipment and general clubhouse improvements.

In a random sampling of courses around the country by GOLFDOM, car revenue ranged from a low of \$16,500 for a 21-car fleet at a club in Lima, Ohio, to revenue of \$940,000 at a resort facility with 400 cars in Fayetteville, N.C. Obviously, there are plenty of clubs in between those two wide figures. But it is plain that as revenue in this area has increased over the years as the car has gained acceptance, the clubs are taking over the concession exclusively from club pros, who for many years had the revenue much to themselves as part of their overall income. Today, though, finding a pro with the entire percentage of the car revenues is rare. There are cases, such as Bobby Nichols at Akron's Firestone Country Club, but these

are the exception.

Pros haven't been cut out of the picture altogether, though. Many clubs still insist it is important to include the pro in the sharing of car revenues, since they can have an influence on continually promoting car use with the membership.

In the clubs surveyed by GOLFDOM, several did not include the pro in revenue sharing, but those that did had the percentage ranging from 12 1/2 to as high as 90 percent.

With the slowdown in course starts due to the uneven economic climate in the nation, there have been watchful eyes on the car industry to see if there would be an affect on production. No such indication has risen yet, but the move of Cushman out of the industry might point to this.

Figures from the National Golf Foundation point to the fact that throwing out 1975, the golf car industry and the use of cars at clubs

CARS:

has probably been one of the constants in golf business in the last two decades.

This solid state of affairs can best be shown by dividing the past dozen years into two six-year periods; from 1964 through 1969, and from 1970 through 1975. During the first six year period, when the golf car was just emerging from its toddling stage, the number in use rose from an estimated 100,000 to around 160,000 — an average gain of 12,000 per year. It was during the immediate past six years that the car really came into its own and began a growth that rose from an estimated 200,000 in use to the 400,000 figure, an average increase of about 48,000 per year. This factually demonstrated the accelerated appeal and need of this vehicle by the golfing public.

Happily, there was no appreciable letup in the number of cars manufactured in this past year, which saw heavy reverses in many business fields. This was especially true in the automotive industry, a field that the golf car industry is closely akin to in many ways. At year's end, close to 40 percent of the nation's auto workers were either laid off indefinitely or put on a temporary stand-down position due to huge inventories of unsold cars in the hands of dealers throughout the country. Thus, the golf car industry's production of an estimated 45,000 new vehicles in 1975 shows it weathered this trying year of energy shortages, inflationary prices and year-end recession in a satisfactory manner.

This is not to say that the golf car industry was not affected by the conditions in 1975. Inflation in material and labor costs have necessitated a rise in the retail price of these cars. The 1974 cars in the average popular priced range sold for about \$1450, while this year's models are nearer \$1,900.

Another item which has cropped up is a switch to the electric powered car on the part of some course operators. With petroleum products harder to get even for maintenance vehicles, there was a ten-

dency for new car buyers to favor the electric car. In some cases, fleet owners even went as far as replacing some or all of their gasoline powered cars with electric ones. With the current availability of gasoline and the high cost of electric power, this early trend appears to have dissipated. As long as they remain the same, the proportionate number of both types of powered cars should continue to be selected. If the automotive industry provides a superior powered engine, one that has economies in costs and pollution free exhaust systems, then it won't be long before the golf car industry will adopt that engine.

The output of an estimated 45,000 new golf cars in 1975, along with the previous yearly production of close to 48,000 cars in the previous five years, tends to indicate that the production of these vehicles is leveling off. It is not likely, however, as the annual crop of new golf courses and the steadily increasing number of new golfers, plus those that play to an older age and use the riding car, will require an increasing number of new golf cars for years to come.

A factor that does have a bearing on the number of new cars needed each year is, with each year's new models, cars are being built sturdier, they are less prone to mechanical or electrical breakdowns and if maintained properly have a longer life span. Where turnover usually occurred every three to four years at private clubs, or those with terrain particularly hard on golf cars, or those that had heavy usage, rising prices and the necessity to cut costs have resulted in many clubs continuing to use their fleets for a longer period of time. This is particularly true at the private club where the tight money situation has affected profits in other areas such as restaurant and bar operations and has caused the members to lower their standards and settle for continued usage of slightly older but still serviceable cars.

This same factor of durability which makes for a longer life span also is continuing to increase the expected number of holes that a gasoline powered golf car can go before requiring servicing or an electric

powered car that has to have its batteries charged. Thus, in normal circumstances, a club can use its cars for 36 or more holes a day and not have to have an extra number of vehicles on hand to handle late afternoon demands. Again, this factor has a bearing on the number of new cars needed each year.

Manufacturers, dealers and the ever-increasing used golf car dealers that are now on the scene would be the first to admit that their best customers, the clubs, often don't realize the real income potential the golf car offers. Promotion within the clubs themselves is lacking.

Larry Smith, who is a resident expert with the NGF in the field of golf car promotion offers some interesting ideas to up dollar volume in this area:

- The posting of charges in a prominent place for the rental of a car — with the recommendation that 9 and 18, and even more holes, be established. The reason for this is to prevent possible embarrassment to the golfer who has to enter into an open conversation with the clerk and any others present to hear, and might seem to reflect upon the golfer's ability to afford rental of a car.

- The establishment of a set of records on each car so that club employees always know the mechanical condition of the cars and which ones are ready to go and for how many holes — with power to spare.

- Establishment of an SOP for the orderly handling of golf cars in the vicinity of the starting point to include the permanent availability of sufficient personnel to keep them fueled, cleaned up between rounds as well as prior to the starting day, emplaced in the most convenient spot for the golfer to pick up and to continually check for malfunctioning or damaged vehicles.

- Concerning the charges for renting a golf car, it is often wise for a course operator to consider making a reasonable profit rather than a high one, or as some popular courses can do, charge all the market can bear. Many successful clubs use the golf car as a leader in their operations, preferring to reduce car rental charges and thereby entice the area golfers to use their facilities. □