

Work trucks top out on high end

Manufacturers agree: New models mark the end of upscale trend

By HAL PHILLIPS

Could it be that after five years of loading features onto their heavy-duty utility vehicles, manufacturers are beginning to downsize?

"I think we've hit the ceiling in terms of what the end-user is willing to pay for the product," said Peter Whurr, product manager for Ransomes America Corp.

"In some cases, there will continue to be a market for those upscale units," said Ron Skenes, communications manager at E-Z-GO. "But we see a very strong market for a more basic vehicle."

"We're going in the exact opposite direction," added Don Smith, president of Smithco. "It has gotten very sophisticated. Toro and Jake are both coming out with water-cooled engines,

I think Jake and Toro are the new kids on the block and their products are very good. They should give Ransomes a run for their money. But at close to \$15,000, only the most exclusive private clubs can afford them.'

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diesels... I think Jake and Toro are the new kids on the block and their products are very good. They should give Ransomes a run for their money.

"But at close to \$15,000, only the most exclusive private clubs can afford them. The courses that dot their I's and cross their T's to turn a profit can't justify that type of cost."

Whurr's firm manufactures the Cushman Turf Truckster, which for years has set the standard for utility vehicles. Competitors agree the Truckster is powerful, versatile and dependable. The still greater compliment involves competing firms vying for a piece of this high-end market segment.

But manufacturers have seen the writing on the wall: Performance doesn't always outweigh cost. Even Jacobsen and Toro — both of whom have recently released upscale utility units —

acknowledge the genre can't get any bigger.

"Very definitely," said Rick Cairns, project manager for Toro, whose Workman was unveiled in early 1993. "When we researched this market back in 1989, we determined the high volume at any sort of facility was on the low end. If a club has 10 vehicles, eight or nine will be lightweight.

"But we also figured there was room in the heavy-duty market. Cushman had a good product, but it was getting old and the market segment was vulnerable. We figured there would be room for three players: Toro, Cushman and one more. It turned out to be Jacobsen."

Indeed, Jake launched its SV series in Dallas this year. It's loaded with features, according to Product Planning Manager Bob Krick — features the superintendent has demanded.

"This happens all the time," said Krick. "The superintendent sees the cost go up, but they keep asking for more comfort, all-hydraulic features, etc.

"The market responds with products of higher quality, more comfort, less maintenance. I think the customer may cringe a little bit at the price. But once they realize all it has to offer, they can justify the extra couple thousand dollars.

"We pretty much got everything we wanted on this vehicle," Krick said of the SV series. "I think we've peaked out. If it gets any bigger, it's a dump truck."



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Behold, the industry's first, all-composite rim from Melex. Known best for golf cars, Melex has not been a major player in the utility vehicle market. But that will change "soon," according to Bryan Taylor, VP of marketing at Melex. Come 1995, look for the all-composite rim on the firm's new entry in the utility vehicle field, said Taylor.

Low-end vehicles dominate volume sales

By HAL PHILLIPS

Those manufacturers polled by *Golf Course News* agreed with the assertion that eight of 10 utility vehicles at any club are mid- to low-end models. They also agreed that, as this market segment matures, manufacturers must choose a niche and pursue it.

The Toro Co. has taken the most unique approach, attacking the high-end market with its Workman and leaving the low- and mid-range units to its competitors. The Workman retails for approximately \$14,000, according to Marketing Manager Rick Cairns.

However, with Toro, Jake and Ransomes vying for the high-end dollar, is there enough to go around?

"It's pretty tight," Cairns admitted.

Peter Whurr, product manager at Ransomes America Corp., said he thinks the market has changed: There is no longer a large enough market for the upscale unit, he said, and his competitors may have over-engineered.

"Maybe they've gone just a little bit too far in terms of the what the market really needs," said Whurr. "What we learned very quickly was, you can't make a product that meets everyone's needs, or you end up with a very expensive product."

Ransomes has adjusted by offering the Truckster and the more inexpensive, lighter-weight Truckster Jr. that retails for about \$8,000.

"We feel there is a limit to what a customer will pay," said Whurr, "and we feel the Truckster is at that limit. But we've gone to the Truckster Jr. to appeal to the superintendent with less money to spend."

E-Z-GO offers four different classes of utility vehicle, from the

smaller Tough One to its top-of-the-line GXT 1500, which goes for \$6,800. But E-Z-GO hasn't turned a blind eye to the larger, more upscale market.

"We're watching the market to see how receptive it is," said Communications Manager Ron Skenes. "Right now we feel we have the vehicles to meet the market demands. But that doesn't mean we've ruled out introducing a new vehicle in that [upscale] class.


"You have to take advantage of different niches as they come up — like the non-golf turf market... I think the grounds maintenance

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— Peter Whurr, product manager at Ransomes

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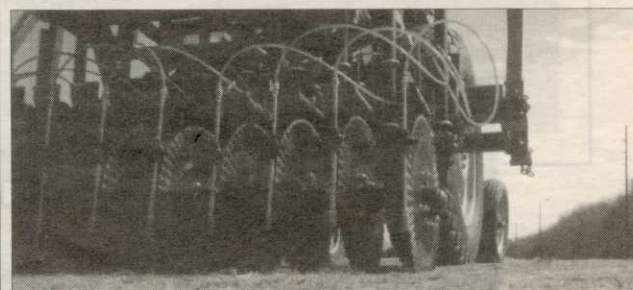
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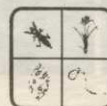
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CIRCLE #121

Low-end vehicles offer practicality

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market has yet to be mined as fully as the golf course market."

Manufacturers have tried to keep costs down by making new vehicles compatible with existing accessories — more often than not, that means Cushman's. With this approach, superintendents can avoid buying all new attachments for overseeding, core gathering, etc.

According to Smithco President Don Smith: "Cushman went upscale first, and because of the size and scale of the truck, they could offer several utilities that are useful around the golf course. If you're spending \$15,000, it sort of justified the cost."

All three manufacturers of upscale units

are depending on the need for this versatility, Jacobsen included. Jake's four-wheel SV 3422 runs about \$14,000, according to Product Planning Manager Bob Krick. But it can do many things.

"If superintendents are going to buy a work vehicle today, they want to do a lot of different work with it: hauling sand, spraying, top dressing, spreading," Krick explained. "A few years ago, there was one vehicle out there: the Cushman. Now, to beat the competition, everyone has upscaled. It was done because the superintendent truly wants to do more tasks."

Yet Smith feels the high-end utility vehicle is simply beyond reach at courses with average or low-end maintenance budgets. Smithco's new utility vehicle is the

Spirit, and it's aimed at the average superintendent.

"We call them 'people movers,' and we want to provide them for less than \$3,000," said Smith. "It's transportation. It's a one-man vehicle with a very low bed, so a guy can lift the stuff into the bed by himself."

"Manufacturers have a tendency to develop products toward the high-end market because those are the clubs that have the most money to spend. At the modest or low end — which is most of the courses in the country — they sort of get left out."

"Our niche has always been to have a broad spectrum of models for everyone. The Spirit is the very low end of our spectrum."

The Yamahauler from Yamaha retails from about \$4,500 to \$5,500, depending on whether it's been packaged in a golf car fleet deal. Joe Stahl, vice president of

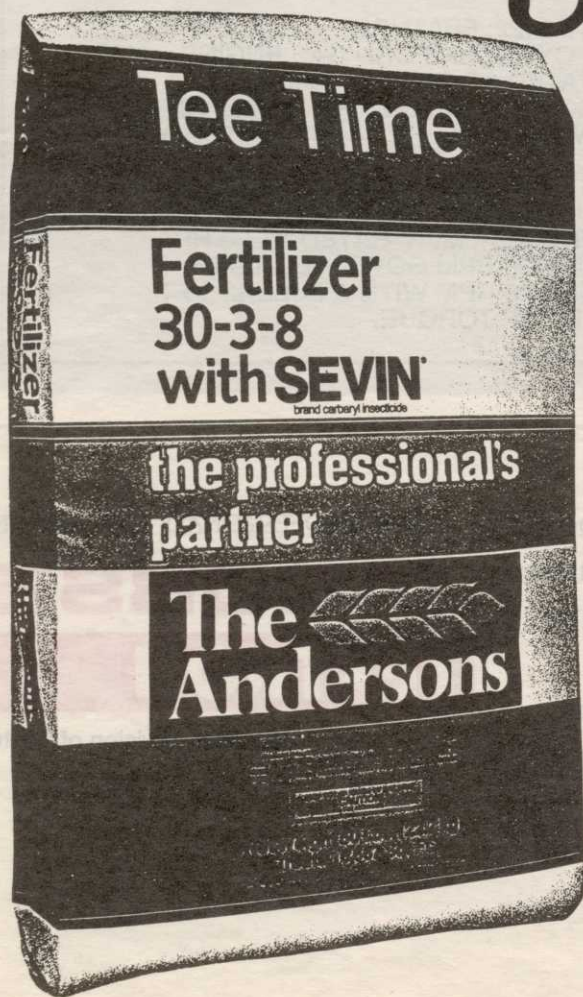
Yamaha's Golf Car Division, said his firm has no desire to compete in the upscale market.

"I have to say we're a little bit on the fringe when it comes to being a competitor in that area," he said. "But my observation is the thing is getting a little out of hand. The Yamahauler is better for light landscape, light utility use. We're not positioning our product to go after that sector of the market right now."

"From a price and value perspective, it offers the course a lot more practicality than some of these other units. As a segment of the business, we think we're positioned right."

"What's still very unique about our vehicle is the versatility. The dump box and sides come off to make it a flat bed. Flat bed today, bar car tomorrow."

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Forecast: Number of ranges grows by 18.6 percent

MIDLOTHIAN, Va. — The number of public-access golf ranges associated with golf courses in the United States has grown by 331 facilities, according to Forecast Golf.

The total number of free-standing golf ranges in the United States as of Dec. 31, 1993 was 2,112. This represents an increase, in the number of facilities, of 18.6 percent over the 1992 final numbers of 1,781 facilities. Between 1991 and 1992 the number of free-standing golf ranges grew by 18.8 percent, or 282 facilities (1,499 facilities in 1991).

According to James Turner, vice president of Forecast, "Free-standing golf range growth grew steadily at a rate of approximately 18.7 percent per year between 1991 and 1993. If this growth rate continues for 1994, approximately 395 new free-standing facilities will be opened this year. That would bring the total to just over 2,500 facilities at the end of 1994."

"Based upon the rate of inquiries received at Forecast, from potential golf range developers, this projection is realistic."

The total number of all golf range facilities, excluding on course ranges, at the end of 1993 was 2,264. These facilities include free-standing golf ranges (2,112), indoor golf ranges (129), and aqua ranges (23). In 1992, indoor golf facilities represented 4.5 percent of free-standing facilities. In 1993, this increased to representing 6 percent of all the free-standing golf range facilities.

"There is a strong possibility that over the next five years, the number of under-supplied markets will significantly diminish," said James R. Murphy, president of Forecast. "This means that as developers continue to pursue the development of new facilities, the proper analysis must be performed to quantify the actual demand for additional golf ranges. This also means that the existing golf range owners must be prepared to protect their market share from new facilities."

"Golf ranges, in competitive markets, must now concentrate on streamlining overall operations, increasing marketing, and improving customer service to compete with new facilities in the market."