

Golf Car Market: This is no time to get lazy

By MICHAEL LEVANS

While there isn't a revolutionary breakthrough changing the golf car this year, there is one interesting statistic that is sure to turn up the heat in the golf car market.

According to the National Golf Foun-

dation (NGF), there are over 900 courses under construction, the most ever since the NGF started counting.



So if you thought the Big 3 were fighting it out for market share over the past years, you haven't seen anything yet. The ensuing months promise all out war.

"We're seeing a burst in growth," said Tom Wright, vice president of North American golf car sales for Club Car. "From talking to other people in related fields, like turf, there's going to be a lot of activity coming down the road. That's probably the function of a good economy. Things are looking pretty good."

And with that growth the industry will undoubtedly see Club Car, Yamaha and E-Z-GO sales representatives racing to these new course developments to ink lease deals before the first shovel of dirt is turned. If they're not, said Ron Skenes, manager of communications and media relations at E-Z-GO, they're simply not doing their jobs.

"If you miss the business the first time in the golf car business you're essentially out for three to five years," said Skenes. That NGF figure represents 900 doors of opportunity swinging open.

"Any time you have that kind of growth everybody has to go for it," said Chris Plummer, director of marketing for Club Car.

But when you match up the Big 3, competition couldn't be any tighter. The production capability of the three manufacturers right now probably exceeds the demand. All three companies are well established with reliable distribution networks and strong client bases in place across the country and around the world.

The key, according to Plummer, is that you have to be first in the door to tell your story. "The last thing you want to do is get in last, because then it's a price game and that's a tough game to win."

For Plummer, the sales keys are performance, reliability and service and support. Going into a client and selling on a hot new feature would add a nice differentiating point, but that doesn't seem to work, said Mike Muetzel, national accounts manager for Yamaha.

Muetzel tells the story of trying to sell a client a new breakthrough in golf car suspension: "The client loved the perfor-

mance, but when I asked him if he'd pay a dollar more per car for the performance..."

Bigger, better, stronger doesn't seem to matter, according to Muetzel. "We're wondering if the industry will be willing to pay the price for new technology and R&D. Much to our chagrin, I think golf cars are considered a commodity item. It's a seat for 36 holes," said Muetzel.

Even with the intense competition, the market isn't immune from new players. The latest Fairway Golf Cars, a division of Waukesha, Wis.-based Ortho-Kinetics. Fairway recently introduced a 48-volt single-rider car that the company said will cut playing time by 25 percent and increase rounds and revenue (see GCN April).

The single-rider has caused quite a stir, yet the Big 3 see it more as a supplement to an existing fleet, not a direct competitor.

"We have folks who are always looking at new products," said E-Z-GO's Skenes. "The single car will be a niche and I'm sure there will be courses who give it a try."

"I think the golf industry is far too traditional to modify," said Muetzel. "Now your talking about modifying cart barns, you're talking about changing how people ride when they play golf. Until the single rider cart can match the revenue stream of the traditional two seater...they're barking up the wrong tree."

"We've taken a look at it," said Joe Kelly, president of



Collegeville, Pa.-based Mid-Atlantic Equipment Corp., a golf car distributor.

"It [single-rider] would have to require more maintenance. Instead of 80 to fix they'll now have 160," said Kelly. "It's just harder to manage. Courses may supplement their fleet with a couple singer riders. But in terms of shift from a two seater to a single seater, I don't see that happening."

Kelly said his customers are taking a close look at aftermarket accessories for golf cars to increase the cars role in heightening the golfers experience and improving the operation of the golf course.

"They're particularly interested in yardage information systems and the new keyless golf car control system by Etec," said Kelly. "Anybody who has a lot of shotgun tournaments can, at the push of a button, electronically disable and enable an entire fleet of golf cars."

"People scoffed at GPS [Global Positioning Systems] just a few years ago," said Club Car's Plummer. "But now its reality. We're going to see more and more of it."

The single-rider will fight for its niche, rumors of new competition may bounce off board-room walls and new technology companys may work to expand the role of the golf car. But one thing is for certain: this is a three-company race for the foreseeable future.

"But none of us can afford to get lazy," added Skenes.



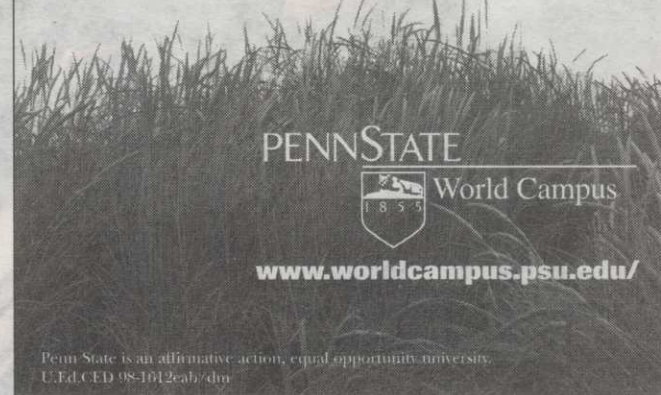
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