

PRO AND MANUFACTURER PROFIT FROM Pro Buying Unity AS INTENDED BY P. G. A. PLAN

By HERB GRAFFIS

GREAT interest attaches to the work of the P. G. A. committee on collective buying, headed by Willie Ogg, Worcester, Mass. This is not alone because of its study of the possibilities of group buying by the professionals but because it is the first committee of the P. G. A. to intensively focus its activities on pro merchandising. As such it has become one of the liveliest and important of the P. G. A. operations. There has been considerable misunderstanding regarding the work and purposes of this committee. That is natural for the committee itself had no guide post to follow and, as yet, no definite recommendations to announce. The committee was appointed to investigate and report to the P. G. A. governing body, not to inaugurate any radical and sweeping procedure right off the bat, so there is no foundation for undue alarm on the part of the pros or manufacturers that the committee will jump at questionable conclusions. At least, this is the firm opinion of this reporter after a lengthy session with Ogg, chairman of the committee.

First of all, there is plenty of evidence to indicate that the committee's well considered proposals to the P. G. A. will have the receptive ears of the P. G. A. members. A questionnaire recently sent to the entire P. G. A. membership already has elicited almost a 75% response, something unheard of in pro history. The replies continue to come in, as the mailing was made when a number of the boys had left for the National Open. These responses were emphatically in favor of prosecuting the investigation with a view to smoothing out the pros' buying and selling problems.

Ogg wants to make it distinctly understood that the interests of the manufacturers are to be handled on a 50-50 basis with those of the pros. Whatever doubt may exist in this respect he is earnest to have banished completely. The committee considers that the interests of the pros and manufacturers are common; that these two factors have a whole lot more to gain by

working co-operatively, on the same general policy that made the golf business what it is today, rather than let the stores whose operations are on an entirely hard-boiled commercial basis, jimmy into a position where they can exercise a selfish domination with unquestioned serious menace to the manufacturers' security, independence and profits.

Protection to Pro and Maker

To put it bluntly, the committee considers as valid and serious a pro complaint that the pros haven't received an altogether square deal from some of the manufacturers with respect to prices and protection. In Ogg's opinion this is not a matter of deliberate action on the part of the manufacturers, but rather an evil that "jest grewed" because of the store organization and policy to hammer the last bit of price concession from the manufacturers and then handle the re-sale in their own sweet way. Ogg pleads guilty to having some difficulty in understanding why a group of department stores can organize buying syndicates and have them accepted as rightful developments of commercial practice while pro attempts in this line are viewed with alarm. He cited that a department store buying syndicate could place an order for \$50,000 worth of golf goods and wring out price concessions that many manufacturers could not, would not, and possibly should not, resist. Then this merchandise is placed on the market at a cut price, and the resale value of probably \$200,000 worth of the same manufacturer's goods in stock at that time at the pro shops would be seriously impaired. He regards it as a vital common cause that the manufacturer and the pro should work together to maintain the price structure and prevent price demoralization that is rolling up agonizing consequences for the manufacturer.

The matter of price saving to the pro as the result of group buying, Ogg does not regard as being one of greatest moment or

of a big percentage. Although his committee's figures have not been worked out to the last degree in this respect, Ogg believes that a net saving of 5% is the minimum that may be expected after administration, distribution and other expenses are deducted. The big point, however, that has developed in the committee's deliberations is that the pooling of buying would show pro buying power and enable them to work on the same buying basis as the big stores. He regards such an arrangement as being a matter of protection for the manufacturers as well as for the pros and gave positive assurance to this writer that nothing would be left undone in whatever decision the committee set down, to see that the conclusions would benefit manufacturers on a parity with the professionals.

No Misuse of Power

The belief that the pros would have trouble in handling their group buying Ogg dismisses as an unwarranted reflection on the pros. He points to the achievement of the P. G. A. in its credit house-clearing work and offers to stack it up against that of any other organization of sellers. President Alex Pirie and other officials of the P. G. A. are working with the club and ball makers' associations in a manner that has practically eliminated the credit situation as a disturbing factor to any appreciable extent. The administration of group buying could be so organized and conducted under competent headquarters staff that it would have no difficulty in functioning smoothly, properly and at moderate expense, so Ogg forecasts. He further wants to make it plain that whatever the outcome of his committee's deliberations may be, it will not restrict any manufacturer's independence or development of valuable good-will and business with the individual pro. Every safeguard will be present, he guarantees, against misuse of the rightful power the pros should have as a unified body and under no circumstances will there be permitted the slightest foundation of a suspicion that the possible collective buying may be used as an unjust "club" or operated as a "racket."

In outlining the changed conditions that he believes call for pooled buying he expressed the conviction that massed buying would be as much of a help to the manufacturers as mass production has been. Ogg went into considerable detail to correct the interpretation GOLFOOM's editor

made of one of his early statements—that the pro pooled buying would result in a big saving to the players and that it would be madly cheered by the players because it would assure cheaper golf.

"The pro continues to be the victim of an impression that he is 'sticking' his customers in the prices they pay him for clubs," says Ogg. He continues, "The mistake is the outgrowth of the old days when the pro's clubs were bench-made and naturally cost more than the cheap and usually inferior factory made goods of that infant stage of golf in this country. Now the bench-made merchandise is but a minor fraction of the clubs sold in the pro shop. He sells standard merchandise at a standard price. He can't and doesn't do what the stores do, cut the price on some leaders and make it up by an excess profit on something else the golfer buys. Though any thinking golfer, old or new, will realize that the pro's prices are fair, the old idea of the higher prices at pro shops prevails and punishes us."

Study Business Costs

In view of the extensive study made in other fields of the costs of doing business, Ogg suggests that the pros and manufacturers both get together on a scientific study of pro shop costs. He condemned as utterly at variance with the facts that the pro shop overhead was so low that the stores were entitled to more of a discount in order to put them on an equal basis with the pros; a statement he said had been made to him by manufacturers. He referred to an article in GOLFOOM during last year, as a true indication of the cost situation at the pro shops. The store overhead, he pointed out, was spread over a number of departments, and benefitted from a big potential market, and a year around business.

George Sargent, so Ogg commented, had gone into considerable detail in determining the costs of selling at Sargent's shop at Scioto, and came to the conclusion that the average cost of servicing each golf club sold was 50 cents. Ogg at first was inclined to doubt this but when he figured up the cost of minor adjustments and repairs, the replacement of shafts and clubs that are not covered by guarantees, the loan of clubs from stock that are being used pending replacements, shipping charges and other costs of carrying out the pro shop policy of "the customer is always right," Ogg concurred in the Sargent state-

ment that the pro who figures he is making \$2.50 on a club usually is doing normally if he nets \$2. A store doesn't give this service, many times because it won't, and other times because it is inconvenient for the customer to request this adjustment.

The costs of doing business in the pro shop are greater than they used to be before the advent of the steel shaft, colored clubs, plated finishes, etc., due to the necessity of larger stock investments. That factor often is overlooked by both pro and manufacturer, Ogg said.

He brought out an interesting point that this writer has noticed in a number of high class pro shops when he said that it baffled him why he could buy nationally advertised golf apparel and other golf accessories and where they had no fixed retail price, undersell the most active leading men's stores in his territory, whereas with much strictly golf merchandise the clubs and balls could be sold by stores in his district at a price that wouldn't even allow him to get by.

The entire subject is still wide open for discussion by pros and manufacturers, Ogg vigorously maintains, and instead of there being any reason for manufacturers' nervousness at the prospect of the pros going off half-cocked with some wild and woolly idea there is the utmost hope on the part of the pros that the manufacturers will accord their committee all possible constructive criticism and co-operation that the pro shop continue to maintain and extend its position as the golf goods outlet of greatest profit, security and market development for the manufacturer.

A Reasonable Program of Top-Dressing

By MAJOR HAFF

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FOR some time I have been wondering about the benefit to be derived from constant top-dressing of putting-greens. It seems to me that after a good growth has been established and the putting surface trued up that further top-dressing is useless, if not injurious. This would apply only where greens have been properly constructed. It would seem that proper fertilization is all that would be required to maintain the turf after it is once estab-

lished. There are any number of good commercial fertilizers on the market today, the use of which is much easier and more economical than the usual compost.

The advantages of a good balanced commercial fertilizer are freedom from weed seeds and less probability of brown-patch.

It now is fairly generally conceded that more damage has been done by over-fertilization than by almost any other cause. It seems quite logical that turf can be overfed and develop some, if not all, of the ailments that afflict the human being under the same conditions.

In this connection it is interesting to note some of the articles in condemnation of ammonium sulphate. This fertilizer has been used at this club for the past six years without the least injury to the turf. When used in light applications about two weeks apart it acts more as a plant food than as a stimulant. During the trying periods of the year all that is necessary is to maintain life in the turf. It does not require, and will not take too much nourishment.

Maintaining a golf course is a constant struggle against nature. Nature never intended that grass should be cut as close and she is asserting her displeasure at the practice in numerous ways.

Breakfast Tourney Is Lure for Early Birds

AT Alderwood Country club, Portland, Ore., the breakfast golf tournament is the curtain raiser of events. Breakfast is served at 6 o'clock throughout the spring and summer. Prizes are awarded on net scores for nine holes. The entry fee is \$1, half of it going for the breakfast and the other for prizes which are, for the most part, balls.

Buy Service, Not Bargains

Did you ever stop to consider that if you buy a golf club from a club's professional, that you are entitled to some service on it?

You are also assured of having the right club. If you buy one club or a whole set down town, you may save a little on the original investment. But if your club or clubs are faulty in construction, or not suited to your needs, then where are you?

Think it over. Alderwood has a professional who knows his business. Patronize him—*From Alderwood Country Club Magazine.*