

# Pro Merchandising As Manufacturers See It

By HERB GRAFFIS

"IF the pros can tell us how to solve the price cutting problem they can do something for us and other manufacturers that no one else in this world of commerce has been able to do." So spoke one of the foremost makers of golf goods to GOLFDOM's editor recently in the course of an interview on the pros' merchandising activities.

In the course of the last year this magazine has devoted considerable space to the pros' slants on their merchandising and in checking up these opinions with what the manufacturers have to say a calmly studious third party must volunteer the judgment that in the last analysis the pros and the manufacturers both are shooting for the same pin, a settled and substantial program for mutually profitable market development. There is no use kidding ourselves, the golf business is new as businesses go and instead of wrangling and misunderstanding it has reason for exchange of compliments between the pros and manufacturers on the fairly steady basis the industry has attained at this infant stage of its development.

About pro collective buying the manufacturers are "not so hot" and this writer will freely admit that he is firmly convinced that the manufacturers' lack of enthusiasm is not founded on selfish or grasping grounds. This may lay GOLFDOM open to the charge of being plastic and gullible but after rather extensive experience in the journalism of various other industries we bashfully rank ourselves as experts in being able to call the turn when a man says one thing and down in his heart means the opposite. The leading manufacturers tell us that to them it appears the major merchandising problem of the professional is selling rather than buying. The conspicuous group buying successes have been in the field of low priced, staple products, the manufacturers point out. If the pro wants to risk the change in his stock policy and compete with cheap goods on price alone then the economies of collective buying might be something

fairly large for a few years. But the pros' prominence and strength in the golf goods merchandising field today lies in the fact that he is generally identified as handling only the highest grade goods. Some pros have tried the experiment of trying to compete with the cut-price stores on cheap goods and so much of the junk is left in the pros' stock at the end of the year that it represents a very respectable part of their profits. The makers also maintain the collective buying experience of British pros would not be duplicated in this country due to the geographical differences which make the American distribution more difficult and expensive.

In making these statements the manufacturers add the comment that the outstanding retailers in the general merchandise field are trying their level best to get away from price and handle high class, well known golf merchandise, which sells better and more profitably when the year's business is surveyed. The manufacturers freely admit that the stores prefer to handle the goods for which the pros have established a consumer preference, and on this account the pro good-will assuredly calls for the manufacturers' careful preservation. The makers maintain that they are equally concerned with the pro in the matter of price maintenance, and when cases of price slashing are brought to their attention they welcome specific information that will enable them to correct the situation.

## Price Cutting Puzzles Makers

There are many mysteries in this price cutting business. Some of them involve the legal rights of the buyer. Others are concerned with underground channels of supply. One manufacturer gave GOLFDOM's editor definite evidence of having spent \$15,000 in one restricted territory trying to find out where a certain chain store system was getting their maker's brand of golf merchandise so the brand could be sold at cut prices. "Don't think that the pro alone is hurt by this price cutting. It

wrecks our entire price structure," this manufacturer stated.

One of the leading manufacturers who is widely known in the pro field picked out one bond of sympathy with the pros that he considers well worthy of pro thought. Let's have his own words:

### Penalty of Reputed Riches

"A serious handicap to the pro is the public belief that his annual income ranges from \$10,000 to \$50,000. There is no need detailing to the pros how this erroneous impression is cramping his chances for financial growth. The manufacturer in the golf field suffers from the same mistaken idea and strange to say the professional is the one who is most vehement in picturing the manufacturer as one who rolls in huge stacks of his gains.

"Golf is a grand and growing business but it is by no means of the vast dimensions it is loosely credited with. GOLFDOM's survey showing around 1,600,000 active golfers I believe is the soundest estimate of the golf market, not the four million figure frequently heard. There are no fabulous fortunes being made in the manufacture of golf goods. There may be some day, I hope, but during the past ten years the story has read the other way for a good many. In our own case, were it not for the volume we have on one of our popular products we would lose money on it. You hear the wild statement that "a fellow on the inside told me straight that it costs only a dime to make the best golf ball." In some golf balls there are approximately 70 operations. In making highest quality clubs the manufacturing process steps run up around 100. Those facts don't jibe with the fairy tales about the long profits in golf goods manufacturing. Still you hear claims made that collective buying would save the pros 20%. I don't see how in the hell it could when that is double what we make and we pride ourselves on being as thrifty and fair as is humanly possible and maintain the superior character of our merchandise.

"We've all progressed in this business so the pros and manufacturers can pat each other on the back for our work in getting a new business quickly and correctly grounded, and now what we all need most of all is intensive and intelligent market development that will increase our sales to present golfers and promote the continuously rapid growth in the number

of players. The way the outlook seems to me, none of us have any idea of the tremendous size the golf market will reach in the next decade. Look what it has done since the close of the war when it really got going, and then plan for the bright future by being better prepared to sell."

You can take it or leave it. This man simply offered the statement as his contribution to getting the pros and manufacturers thinking together for combined advancement.

### Pro Credit Rates High

Now here is one of the strange aspects of the group buying proposition that was presented to GOLFDOM's editor. One manufacturer said any pro group's guarantee of credit would not be such a great inducement for reduced price from manufacturers for the simple reason that pro credit right now is so nearly 100% O.K. that if any manufacturer gets stuck on a pro account it is either his own fault or an act of providence. That was one of the best backhanded tributes to the pro business standing this writer ever has heard but it is absolutely in accord with the facts.

One manufacturer who probably is known personally by more than a third of the established professionals in the U. S. told GOLFDOM that the credit loss on the last \$5,000,000 of pro business done by his company was only \$18,000. Of this amount practically a half was accounted for by three pros who were discounting their bills for five or six years prior to their tail-spins. Two of them went broke on the market and the other dropped his in an unfortunate speculation. Of the remaining half of the credit loss this man believes that a greater part will be paid to the company eventually.

Another maker whose company ranks high in its volume of golf goods business said that the pro credit loss percentage was well under the general percentage for his company which is one of the country's giant institutions and does business with a widely diversified list of retailers.

So the old credit curse that used to be laid on the pros is entirely bunk in the light of the present day. The manufacturers give the P. G. A. a lot of credit for this and now generally express the hope that the P. G. A. will jump into the development of pro selling with the same sagacity, thoroughness and success.