

# Consider Pro Drive to Turn Frozen Season-End Stocks to Cash

*Whys and Wherefores of a National Pro Clearance Sale Are Discussed by*

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**I**N the course of a year GOLFDOM probably handles more statistical material about the golf business than any other two factors in this sport and industry. Consequently, as young men too dumb to be dishonest, the members of GOLFDOM'S staff must confess being unable to view with deep and abiding respect even the "average" figures it has cost us some thousands of dollars to collect. The simple reason for our impiety is that there is no such a thing as an "average" golf club.

For instance, the GOLFDOM figures on the 1930 golf season show an 18-hole average pro-shop inventory of \$2,856 at the start of the season. The nine-hole average is \$941. Both figures are in pros' buying prices. Although these figures would represent the exact situation at comparatively few of the clubs, we will have to take them as a typical picture at the start of the season. As near as we can find out from extensive questioning of pros and manufacturers too much of this start of the season inventory is in the shape of goods left over from last season. No fairly accurate average is obtainable but the fact that the pro generally carries over too much stock from one season to the next is beyond debate. It certainly is not uncommon for a pro at an 18-hole club to carry much more than \$285 worth of inventory over from one season to the next and when you consider that this represents 10% of the average inventory and profit at the best part of his season you will realize how important it is for the pro to get his inventory turned into cash before the season passes out on him.

## Cash the Important Asset

Again, no figures are available to prove a statement but in their absence GOLFDOM will express the firm opinion that the amount of frozen inventory carried over by pros from one season to the next exceeds the total of pro accounts due to the manufacturers by almost 70%. A

GOLFDOM representative visited pro shops in four different territories last month, estimating the amount of inventory that would be carried over into the winter. Figures on the accounts of the pro shops visited were obtained from the club and ball manufacturers' composite record and in no case were the amounts owing 40% of the frozen inventory.

So, here, apparently is a vital matter in the pro business scheme. For the good of himself and his manufacturers the pro has to turn that stock into good hard jack, get himself off the cuff with his suppliers and take the tidy remainder in the form of cash to finance himself and his family over the winter and to start his buying for next year.

What's the answer? One of the pro's prize points as a merchandiser is that he maintains the price of high-class merchandise. Under certain circumstances the price naturally and properly may be reduced. The stores do it right along and there is no doubt of the stores snagging business away from the pros by those end of season cuts. There's no telling how much golfing merchandise is bought from the stores for Christmas presents, southern and California travel and next season use. This business is something that calls for the pros putting up an intelligent fight.

The problem is not the simplest thing in the world for the manufacturer is not going to countenance his retail prices being slashed right and left without due regard to his policy and the stability of his price structure. However this matter of price revision to move merchandise is one that no longer causes buck fever. The pro can count on the natural laws of seasonal demand to move the bulk of his goods. The bargain hunters who want to wait until the twilight of the season can cash in, that's true, but they are in the minority. Their aggregate, however, is sufficient to turn the pros' stock into cash at a legiti-

mate reduction. One important phase of a concerted and properly timed pro clean-out sales campaign is that it would draw into pro shops trade that hitherto has been mainly patronizing the cut-price retail stores.

### Pirie Approves Sales Idea

Alex Pirie, president of the P. G. A., notes this point in endorsing the idea of a pro end-of-season sales week. He says:

"At Old Elm an end-of-season sale is out of the question, due to the type of membership. However, at the end of each season I have encouraged business among the class of non-member village residents that usually buys at reduced prices from the stores for they are anxious to buy at a bargain anything good enough to be sold to the wealthy members of Old Elm. This clearance sale idea is worthy of general adoption by pros for through no other method can the pros convert their assets into ready cash.

"In this section of the country I believe that the clearance sales in September would be an excellent thing for both pros and manufacturers. The sales would enable the pros to have the decks clear for the opening of the next season. Sectional displays of the new lines could be arranged by the manufacturers so the pros could visit these displays and do their ordering for the spring openings. I believe that this detail of buying which is the practice followed in the store field is one that the pros could employ to good advantage. Such a practice probably would enable the manufacturers to reduce their distribution costs as well as help the pros make the wisest selection of stocks. No manufacturer's representative can come to my shop with a full display of his line from which I am to make my selections, so it is a case of me, and the other professionals, going to the manufacturers. I believe that this end-of-season clearance followed by the presentation of the next year's lines would prove a decided boon to pro merchandising."

### Time Would Vary

In asking opinions of leading merchandisers in pro ranks, GOLFDOM requested a statement from Charles Hall, Country Club of Birmingham (Ala.). Charley brings out the necessity of staging the clearance sales at different times.

Mr. Hall states:

"The idea of a clearance sale nationally conducted by the professionals is good in an abstract way and it seems possible that the P. G. A. and the manu-

facturers could work out the details so the plan could be widely and profitably employed.

"Fall and Christmas business has been the concern of so many pros for so long that your request for a statement savored of mind-reading to me, for I have been studying the situation with a view of adopting a plan of my own at this time.

"The first of the difficulties is, what will the reputable manufacturers say about the professional cutting their merchandise? Then, what would be the most opportune time for the sale. What might be the right time in Birmingham would be entirely out of line farther north.

"If a practical plan could be worked out by the P. G. A. and the manufacturers I am sure that it would be very beneficial for all concerned. An end of the season sale run along the same lines as those conducted by many firms making widely advertised merchandise would focus attention on pro merchandizing development. The advertising would be an important angle, but just what that should be would be another problem. Probably local advertising would be the best as national advertising would come into conflict with the time factor governing the clearance sales at clubs in widely separated locations."

Some of the manufacturers already have made private statements endorsing the idea of such a sale. The dealers hold periodical clearance sales which have proved good performances for them as well as for the manufacturers. The method of conducting these sales has antagonized the pros frequently to such an extent that he hesitates to handle lines that might be cut by the dealers, even at the end of the season. This puts the manufacturers in an uncomfortable spot.

One of the manufacturers points out that holding such a sale in the north during the first two weeks in September would greatly stimulate sales for the pros at a time when the sales are decidedly slumping, and in this way the sales should give the pro at least two peaks in his selling curve.

### Hunter Assays and O. K.'s

Willie Hunter, Montebello Park, Calif., noted not only as a player but as a bright business light of the profession, goes over the clearance sale suggestion in an analytical manner.

Mr. Hunter tells GOLFDOM:

"Your idea regarding the possibility of organizing a National Sales Week

amongst the pros is quite in accord with my present merchandising program.

"In my opinion there is no question of ethics involved when it comes to a point where a pro must either hold over two or three thousand dollars of merchandise during the winter months when his club is closed, or put on an end-of-the-season sale to turn such merchandise into cash.

"There are many points in favor of such procedure and just because it has not been customary to do such a thing is no reason why we should not get into line with other experienced merchants and add one more common-sense business move to our improving merchandising education.

"Merchandise not turning over is wrongly listed as an asset by our boys and a great many of them figure such goods as the same as money. The result is the burden of shop-soiled and out-of-date stock. A monthly inventory of merchandise should tell the story in the plainest way and when the same goods are regularly found in such inventory it is time some steps were taken to clean up and make room for something new.

"The policy of our manufacturers is to change models yearly and in between times to introduce any particularly outstanding piece of merchandise. It therefore behooves the pro to be in a position to take advantage of such merchandise without unduly increasing his investment. Manufacturers do not hesitate to use sales pressure to get their latest merchandise in the pro shop as it is practically the only thorough way of introducing new creations. In so doing they do not bother whether the pro is already overstocked or has slow moving goods on hand because as a matter of fact bright new merchandise shown with goods somewhat shop-soiled looks doubly good to the buyer and results in still further relegating the old and slow-moving goods to a condition bordering on stagnancy.

### Clean Out Slow Stock

"Our remedy then is to hold periodical sales, such sales to be governed by local conditions. By local conditions I mean that in California we have a twelve month golfing season and our problems are different from those in the



Willie Hunter, Pres.  
Pacific Southwest P. G. A.

east. My own experience is that unless merchandise is watched very carefully certain goods will pile up and become dead stock. Such merchandise is dealt with summarily and put up for immediate sale at what I can get for it. I find that there is a ready market for bargains of this kind especially when the point is stressed that the goods are now priced to compete with shoddy cheap goods although they have only the best material in their make-up.

"With such sales I always have a certain number of 'leaders' to start the sale off with a bang and give my assist-

ants a good appetite to go after the sales. Goods which still hang on towards the end of the sale are cut even more drastically until they are cleared.

"I feel that in line with such a campaign the credit situation must automatically improve in the pro ranks as there are hundreds of the boys holding on to dead stock which if turned would put them square with the world.

"Your admirable magazine which has undoubtedly done far more good than any other golf magazine for the professionals, would confer still another benefit if by means of your columns you can arouse sufficient interest to awaken the boys to back up a Sales Week of national importance as a means of eliminating the dead stock evil."

### Saves and Earns Too

There is far too little knowledge of the cost of doing business at the pro shop. For instance, that matter of interest on the investment is something that a pro rarely figures in if he does get to the point where he tries to see exactly how he stands in the finances of his business.

James K. Thompson, pro at the Mohawk G. C., Schenectady, N. Y., reminds the pros of this in endorsing the end-of-the-season sale as a "real money saver" to the pro. With the 7% discount meaning that money can earn 28% a year for the pro under average turnover conditions the astute Jimmy is emphatic in stating that the pro must have every possible frozen asset turned into working cash.

He cites the work of the Northeastern New York section of the P. G. A. in send-

ing out letters about the first of October every year, combining the clearance sale and "do your Christmas shopping early" motives. Mr. Thompson tells of the case of one member in average circumstances who sold \$300 worth of clubs as a result of this letter after his season had closed at his northern club, and during a short time prior to his departure for Florida.

"I feel that if this clearance sale were a national affair properly organized and advertised by the P. G. A. it would become a real life-saver to the professionals," concludes Thompson.

### Jack Gordon Suggests Plan

Jack Gordon, pro at Transit Valley C. C., East Amherst, N. Y., goes into the matter of the clearance sale specifically. Jack, noted as the author of some excellent books on golf instruction, investigates the matter of a season closing sale the same way he works in teaching, on a direct and simple basis. Mr. Gordon gives some ideas of an exceedingly practical and useful character in his comment on GOLFDOM.

He says:

"I think a National Professional Sales Week, near the end of the playing season, as you suggest, would be a fine thing.

"It touches on a particular phase of the golf business which has, I feel sure, caused many a pro anxious moments, and I believe that if some helpful suggestions along this line could be had from the pros themselves, and published in GOLFDOM a real service would be rendered our club member; first, through his purchase being made at his own club golf shop and under expert advice where suitable golf merchandise *only* would be recommended, and second, at a substantial saving in money, since at that time of the year the pro wishes mainly to turn his stock into cash.

"The National Pro Sales Week—our ten days—would be welcomed by all golf professionals I feel sure, and could be arranged to take place around Labor Day in the northern part of the country at least.

"All that would be necessary would be for the pro to look over his entire stock at this time, determine how much he has on hand, and what he is likely to have left over, tag it all carefully with nice new tags, and at the regularly advertised price, then put as much as possible on display, and of course in the very best and most attractive position in his shop.

"After that is arranged, he should

have a notice printed and posted on his bulletin board, and on the locker room board if possible, stating that a sale was to begin at the pro shop on Labor Day and would last for ten days, at which time, all clubs, bags, coats, sweaters, shoes, etc., etc., would be selling at a big reduction.

"Also, emphasize the idea that this would be a fine time to make golf present purchases for Christmas, when real service goes with the sale.

"At the start of the sale, on Labor Day morning, the pro should post in his shop, in a very prominent position, notice of the sale, showing the 10 to 50% discount on all merchandise (except golf balls) in striking figures, and that it would be for ten days only.

"To further this sale, the pro should instruct his assistants to talk to every member who comes into his shop, during that period, and try to convince him that this is a fine time to make a purchase and at a big reduction.

"He, also, should draw the attention of all his members to this sale, either through the club organ, a personal letter which could be included in the club envelope to the members at the first of the month, or by personal contact.

"This personal contact is something that the down-town dealer would use to advantage if he had the same opportunity.

"If this National Professional Sales Week were started say in 1931, and on Labor Day, I feel sure the pro would welcome it, and he would benefit from it greatly as also would his club members and the manufacturer."

### Up to P. G. A. and Manufacturers

At the forthcoming annual meeting of the P. G. A. it seems probable that delegates will be instructed by their local sections to look into this matter and see just what can be done by a national plan worked out by authorities from the P. G. A. and from the manufacturers' association.

Dead stock packed away during the off season is costing the pros and manufacturers far too much to remain a blind spot in golf goods merchandising. The market today is so undersold on good golf merchandise that it could easily absorb this dormant stock without interfering with the normal growth of new business.

The four golf courses located in the Cook county forest preserves earned a total of \$75,256 for the period from January 1 to September 30 this year. For the same period in 1929 the profit was \$49,674.