

# Club and Ball Increase Far Behind Other Price Rises

By HERB GRAFFIS

Professionals and manufacturers now are smack up against an increase in club and ball prices.

Rubber for thread has almost doubled in price and cover stock prices also have increased considerably.

Labor costs are reflected in the increased prices of raw materials for clubs and balls and substantial rises in labor costs also are shown in the manufacturing processes necessary in making clubs and balls.

There is nervousness among pros about the possible effect the club price increase may have on the market. The worry is somewhat eased by realization that the increase in pro margin and the probable increase in net income will help balance the tremendous rise in pro department operating costs. But still the pro is inclined to fear that the slightly higher prices in the better grade of clubs will reduce the volume of business.

This attitude may disclose a need for a lot of education of the golfing public and the professionals. For the truth is that few are aware that the increase of golf club prices from the end of World War II to the 1956 lines has been less than the percentage of most items in the "cost of living" statistical compilations, and decidedly lower than the percentage of increase in entertainment, automobile, public transportation, housing and other expenses that figure prominently in the American way of living.

## Slow to Raise Prices

Unfortunately, nobody in the golf business has gone into this delicate matter of reminding the golfer that golf equipment has stayed back in the matter of logical price increases.

Club members know how prices of products and services in their own businesses have jumped. They've seen the prices of liquor increased and, often, the quantity per drink reduced at their golf and city clubs and have accepted this increase in

cost as inescapable. Food prices also have been hiked.

But, although the average country club member spends far more at the bar and for food at his club than he does for golf equipment, for some curious reason there is a hunch that an increase in golf club prices may arouse painful protest.

To me as a businessman and reporter this expectation of emphatic reaction against an inevitable but quite moderate increase in club prices is baffling. Golfers, even with the broad expansion of the game to a national pastime basis, are well above the average in income. This goes from the top private club membership to the players on public courses.

## Shouldn't Pro Make Money?

However there often is a curious attitude about the professional making money. I often have seen club members boasting of fellow members who have made millions by astute and hard-boiled operations in markets of essential commodities. But not very often have I heard club members bragging—with accuracy—about their pro making a very good income out of his job. I've heard plenty of statements wildly over-estimating the income of pros at clubs.

For some reason, lately, \$18,000 has been rather frequently mentioned to me by members of metropolitan district private clubs as the net income of their respective pros.

When I ask how many active members the club has, or how many bags are in the rack, the answer is usually about 300. Then I ask if the member thinks the pro averages a net income of \$60 a member and the reply usually is "hell, no; very few buy as much as I do from the pro shop." Then, by further questioning I learn that my friend and his family spend a whole lot less than he thinks they do at the pro shop.

Or sometimes I put the matter another way. I say that the pro is lucky if he can net 20 per cent on a seasonal business with a limited market and a lot of sal-



## LIGHT MAKES HEAVY SALES

Frank Donovan, professional and owner of the Clover Hills 9-hole course at West Des Moines, Ia., makes providing golfers with equipment, apparel and supplies a strong feature of the very attractive and mutually profitable service at his club. Donovan's shop shows that light—natural and electric—sells what golfers need. Donovan brings the sunlight mood into his shop and spotlights equipment about the same way a stage manager draws attention to the stars. The north end of the shop has a display window that is kept lighted until 10:30 every evening. The window faces a well-traveled highway and plenty of business is originated by the view that motorists get of the bright shop. There's storage space under the window. That's handy for providing the right sizes or additional stock for display. The cap display suspended from the ceiling is colorful. Donovan features his "budget plan" for buying golf equipment and has many

aries, operating costs, insurance, shipping charges and other overhead that the member does know about. Then I ask if the member thinks that the pro does \$90,000 worth of business a season in his shop—which he would have to do to net \$18,000 out of the shop—or even could boost shop profits plus plenty of lesson income and club storage and cleaning up to \$18,000.

### Increases In Ten Years

Then, when a club official or member of a first class private club begins to see more about the financial facts of pro life he gets a better appreciation of the pro as a businessman.

Now on the club price situation; to

really know what the score is you might look over some comparative price figures supplied by Henry Cowen, pres., MacGregor Golf Co. The figures are representative of the price picture with other leading manufacturers.

The limitation order on club manufacturer in wartime was rescinded about in May, 1945. It wasn't until 1946 that the industry had anything like a normal production year. Even then the manufacturers couldn't get shafts, forgings and wood heads, grips, etc., equal to demand. So production naturally was heavier in the higher price brackets.

The highest priced 8-iron sets sold at retail for \$80 in 1946. Ten years later the



golfers buying top quality equipment on a "buy now—pay-later" basis. The south end of the shop has a display window that faces the first tee. While they're waiting to tee off they get an eyeful of tempting equipment. That display also is frequently changed to keep it always busy reaching for sales. This window usually features "Specials" that Donovan is pushing. The bag display rack is Frank's own design. It can be moved around. It solves a problem that has bothered many pros who have figured that there's just one place in their shops for bag display—often a rather out-of-the way place—yet know that they could sell more bags if they could keep the bag display looking always new. You'll see more good looking bags owned by players at Clover Hills than by members at many private clubs. The putter rack is of the "lazy susan" type that turns around. The movable rack in the left foreground is for approach clubs and wedges. Women's clubs are displayed in a special section not shown in these pictures. Donovan also has a special section of clubs for left-handers. There are just enough chairs to invite waiting and looking around in the shop. Flooring is rubberized tiling and like everything else in the shop is kept immaculate.

retail price is \$125, an increase of 56.25 per cent, which is less than the percentage of increase of most cost of living and housing items and a great deal less than the percentage of increase in most quality items that are not strictly essentials.

And here is something that will amaze most golfers: In 1946 the lowest priced irons sold at pro shops retailed at \$7.50 each. For 1956 the lowest priced irons are 50 cents less!

#### **Pricing Problem**

If anybody is scared that the higher prices are going to trim the pros down in the market by making golf too expensive, let him look at those lower priced iron figures again.

There is no rule that requires the pro to sell exclusively the top priced clubs. The only reason he does it is because he wants to supply his market with the best. That policy has worked out very much O.K. for the pros as they dominate the golf market and have dozens of other kinds of retail outlets fighting among themselves for the cheap business. But if a pro, after studying his market, sees that his price range should be extended to be a better fit for more economic brackets, he ought to direct his selling efforts accordingly.

It is a sure thing that the pro can—and does—get better clubs in the lower prices than most other retailers get, so if

he is sure that \$125 for an 8-unit set of irons is beyond a customer it's up to the pro to get the best at a price the customer can afford to pay.

But don't be too quick to down-grade the customer. Quality always has a strong and wide market value with a good salesman on the job.

### Wood Prices In Line

Cowen's figures on the woods also tell a story that shows golf has kept prices very much in line.

In 1946 the highest priced 4-club set of woods sold for \$70. The top 4-club wood set in 1956 models sells for \$90, an increase of 28.57 per cent—and that's surprisingly small over a ten year period.

The lowest priced woods that pros would want to handle as having value for their customers cost at retail \$10 each in 1946. A greatly improved club in the same class in the 1956 lines sells for \$10.75. The 75 cent increase means only a 7½ per cent increase in ten years.

Is there any businessman golfer who would complain about that increase as he thinks of the cost and price increases in his own business during the past decade? Or as the woman golfer thinks of her own shopping wouldn't she be happy if other items had kept prices in line with golf clubs?

Seed, fertilizer, water, maintenance equipment costs, and labor costs for golf course maintenance have felt the upward pressure of prices and the course superintendent and Green chairman know that nobody's getting rich by being forced to sell at the higher prices. Maintenance budgets will increase for 1956 at many of the better courses simply because the members want the best possible and know they'll have to pay for it.

The same condition exists in the selling of golf clubs.

### Cornwell Slated to Head Course Superintendents

Ward Cornwell, supt. Lochmoor Club, Grosse Pointe, Mich., has been selected by the Nominating committee of the Golf Course Superintendents' Assn. of America, as its choice for president of the organization. Election will be during the association's annual meeting which will be held at Long Beach, Calif., Jan. 5-10, 1956.

Other selections of the Nominating committee in naming men also to be elected for one year terms:

Vice presidents: Jack Gormley, Wolferts

Roost CC, Newtonville, N. Y., and Paul Weiss, Lehigh CC, Allentown, Pa.

As candidates for three positions on the GCSA Board of Directors, each to be elected for two years, the Nominating committee named Elmer Border, Olympic Club, San Francisco, Calif.; L. E. Lambert, Oakwood G&CC, Dodson, Mo.; Henson Maples, Pinehurst (N. C.) CC; John McNamara, Chartiers CC, Crafton, Pa.; Samuel S. Mitchell, Ponkapoag Golf Course, Canton, Mass.; and Roy Nelson, Golden Valley GC, Minneapolis, Minn.

The Mid-Atlantic Annual Turf Conference will be held January 17-18, 1956, at the Lord Baltimore Hotel, Baltimore, Md. Dr. E. N. Cory will be in charge.

### Hines Has Biggest Golf Car Operation

**J**IMMY Hines at Thunderbird GC, Palm Springs, Calif., has the biggest golf car operation of any pro department. Hines has more than \$50,000 personally invested in golf car service for Thunderbird's members and their guests.

The Hines investment includes \$25,000 in a building to garage and service the cars, and about \$30,000 in equipment and parts. There are 150 golf cars, 40 Hines-owned, garaged in the building.

Service is \$15 a month, which includes charging, normal maintenance and delivering the car to the first tee and taking it from the 18th green area. Hines has one man the year around on the car job and two men during the busy season.

Forty owners of homes bordering Thunderbird have their own cars. Some are two-car families, with the wife having a golf car of her own. Ten new homes building at Thunderbird have electric outlets in carports for charging golf cars.

Golf car rental at Thunderbird is \$8 a round for the new models.

Jimmy says there's already a quite lively business growing up in used golf cars and need of care in making allowances on used cars to prevent the business getting into the risky situation of the used automobile business.

Requirements of attendants' services in handling the cars to and from the users at courses, garage and maintenance expense and depreciation involve amounts that require the pro providing golf car service to make careful study of his operating procedures, expenses and income, Hines emphasizes.