

# Pro Shop Sales Lag Behind Increase in Golf Play

Club Sales Off Because Outside Competition Is Tearing Down Price Structure

BY HERB GRAFFIS

**P**ROFESSIONALS, whose observations have been the basis of Golfdom's accurate forecasts of golf business in past years, estimate that golf play this year is up 12 per cent over 1959. Part of the rise is due to an increase of slightly more than 4 per cent in the number of golf courses in the U. S.

This means that there will be about 93,000,000 rounds of golf played on the 6250 courses operating in the U. S. in 1960.

That is surprising growth in play for a year in which rain in some districts in April and May washed out a great deal of play. How much of this is play by women can't be estimated with sufficient accuracy or reason to satisfy Golfdom which is cautious because of the extensive use of its data in golf sales and advertising programs.

## Wide Variance

Pro estimates of rounds played by women range from 50 per cent at a number of first class private clubs to less than 10 per cent at metropolitan area public courses. Public courses in metropolitan areas apparently are going to have to give women a much better deal than they are now getting.

Pro shop sales didn't keep up with the increase in play. This lag probably is to be expected. Many newcomers don't buy much equipment. Whether or not pros are getting their share of this new business as a dividend on their promotion activities is a subject of considerable discussion.

Pro shop sales of clubs, balls and bags are about six per cent ahead of 1959. Sales of apparel and shoes this year will be about eight per cent ahead of last year.

## Equipment, Golfwear Ratio

There is such a wide variation between the percentage of pro shop sales volume from clubs, balls, bags and playing accessories and the percentage of revenue from apparel and shoe sales that too much

weight can't be put on the indicated national average of 63 per cent of total sales for playing equipment and 37 per cent for soft goods, shoes and headwear. In approximately 200 shops, mostly at private clubs but including some at municipal courses in large cities, sales income is reported on a basis of 75 per cent from clubs, balls, bags, etc. and 25 per cent from golfwear.

Almost one out of six shops that show much higher than average annual sales income has a greater dollar volume in soft goods and shoes than in playing equipment.

As you might expect, members of higher bracket clubs do a higher percentage of their buying from professionals than those at public courses or private clubs where prices are lower. Percentages of clubs, balls and bags purchased from professionals at private clubs range from 100 to 60, with 75 per cent being most common.

## Trade-In Situation

An important and interesting figure is the percentage of new club sales that involve acceptance of trade-ins. The average is higher this year than that of the 1959 survey. The percentage of trade-ins on new club sales jumped to 67 from the 1959 figure of 57. A number of pros explain this increase as being due to women's clubs figuring in the trade-in picture. Women's club sales, according to pros, are up about 25 per cent over 1959.

One question not asked the pros this year pertained to the percentage of women's lessons to the total given at the clubs. Several professionals volunteered information that nearly 70 per cent of their lessons are given to women.

Although higher priced woods and irons are mainly sold by professionals and account for about 55 per cent of the manufacturers' dollar volume of sales revenue from clubs, many professionals claim they are having a tough time selling this equipment due to its price range. This condi-

tion prevails in spite of the trade-in allowance policy at pro shops and the energetic merchandising of used clubs to beginners and public course players. Store competition is tearing down the club prices without doing a thing to increase the market, numerous pros declare.

#### **Price-Cutting Competition**

The price-cutters are primarily the "discount" houses. Next are the sporting goods stores, then sports departments of depart-

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ment stores, then employee co-ops, and last, but in some areas not least, pros at golf ranges and public courses.

Professionals from all over the U. S. supplied the data from which this round-up of 1960 pro business is compiled. The number and percentage of pros cooperating was greater than in any previous survey. The professionals' thoughts on possible effect of providing a professional with information on club finances will be the subject of an article in January *Golfdom*.

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Ball manufacturers, figures on 1960 sales indicated that about 60 per cent of the balls sold are in the top quality bracket. They account for approximately 75 per cent of the manufacturers' ball sales income. The pros don't regard the ball price-cutting problem as one that endangers the price structure as seriously as the club picture shows.

From what numerous professionals have to say it is obvious that they are going to have to have help from manufacturers if the present quality and price structures in golf club marketing are to continue.

#### **Dedman Associates Organized to Handle Club Planning, Operation**

Harold Murphy, former field service rep for National Golf Foundation, has announced formation of a golf and country club development and operation consulting service known as Dedman Associates.

The new service and its staff of project directors and consulting associates will assist private, semi-private, municipal, industrial and military course and club planners in market research, site selection and acquisition, project planning and organization, conduct of membership-sales campaigns, design and construction, and operation and management.

In partnership with Robert H. Dedman, Dallas attorney and the key figure in the development and ownership of seven Texas and California clubs, which include nine courses now in play, Murphy has been named pres. of the new corporation. He will retain his vice-presidency in Country Clubs, Inc., parent company in the growing Dedman organization.

#### **Conservative Policy**

Murphy emphasizes that the new company has a conservative policy. "The majority of those who have been active as professional free-lance contributors to country club development," Murphy says, "have been specialists in fund raising and have shown little interest in the 'whole nature and needs of clubs, or in the financial preparations for long term plants and programs.'"

Dedman Associates, using both project directors capable of programming for and administering to all phases of club development, and an association of consultants representing the best professional talent in many fields, provides any or all of the personnel or programming necessary to any or all of the many segments of club development and operation. In addition, Country Clubs, Inc., can aid in obtaining capital investment or in attracting equity investment or ownership.

At the present time, Country Clubs, Inc., owns the 54-hole, two-clubhouse Brookhaven CC in Dallas; the 18-hole Knollwood GC, also in Dallas; the 18-hole Tanglewood-on-the-Lake, a resort club on Lake Texoma between Texas and Oklahoma; a hunting and fishing lodge near Dallas, an additional facility belonging to Brookhaven; the Preston Hills Tennis Club in Dallas; and the 63-hole Deauville Golf and Beach Clubs in the San Fernando Valley, California. Country Clubs will announce plans for at least four more major projects in the first quarter of 1961.

Dedman, general counsel to the new American professional football league, will represent the new company's Dallas office from 730 Mercantile Securities Building. Murphy has offices at 5344 Yolanda, Tarzana, Calif.

Complete information on the Dedman services can be obtained from Murphy.

More than 200 turf specialists attended the Midwest Turf Field days held at Purdue University in mid-September. The two-day sessions were conducted by W. H. Daniel, Purdue agronomist.