



*A "Bluebook" for  
the Golf Business*

## Trade-In Guide Should Reduce Confusion in Used Club Sales

By **HERB GRAFFIS**

**T**om Murphy, professional at Riverside CC, Provo, Utah, has completed a three-year job of compiling "The Golf Professionals' Guide to Trade-Ins". The 135-page book contains identifications, wholesale and retail prices and numbers of clubs per set of the woods and irons of 25 pro-only lines and 10 store lines manufactured during the past seven years by 29 manufacturers.

The retail prices suggested for trade-ins have been set from a compilation of prices suggested in questionnaires received from nearly 2,000 professionals. A wide scope of policies, experiences and results in net cash profit and customer satisfaction were considered in setting up the trade-in schedules. The prices printed are for used clubs in good condition.

Murphy plans to publish the book annually. Its price is \$8.50 a year. It now is available from Pro-Guide Co., P.O. Box 1127, Provo, Utah.

Since about 70 per cent of the sales of pro-quality new clubs involve the acceptance of trade-ins, it seems likely that the Guide to Trade-ins quickly will pay its cost for most pros, assure customers that they are getting fair deals and reward Murphy for the many, many hours he has put in on a job that pros long have wanted done.

### Manufacturers Will Benefit

Manufacturers also will benefit from the support the Guide to Trade-ins undoubtedly will give the pro-only price structure which has been steadily weakened in recent years by trade-in marketing problems and price cutting on store clubs.

Murphy has gone at the task of establishing trade-in prices realistically, giving prices for clubs in average-or-better condition and noting that deductions from the printed prices should be made for required reconditioning such as re-gripping, re-finishing, etc. With a basic allowance being recorded, there's at least a sound

and reasonable start for a deal. There also is, in the book, data from which an assistant can give safe preliminary figures. Murphy has been an assistant in his native Ireland and the United States during five of his ten years in professional golf.

### **Uniformity Needed**

Replies to Murphy's questionnaire constitute the first used-club market survey. Although it only touched some of the high and low spots, it gives a picture of how the used club situation long has needed some kind of uniformity. The way used club marketing is now, pros are somewhat confused by the situation and virtually competing against each other.

In the questionnaire, Murphy asked what per cent of original retail value should be allowed for both pro and store line used clubs when traded in during the year of purchase, and for each year up to seven after that. There was a wide range in the answers. He also asked for suggested mark-ups on used equipment, and for further suggestions in stabilizing the trade-in market.

### **Store Prices Bewildering**

There is much confusion in store line prices on which pros are expected to make trade-in allowances, Murphy says. The "wholesale" price on one set of irons is \$30, the "list" is \$60 and the suggested retail is \$90. Murphy tells of a member who brought in a manufacturer's catalog to show that the price of his clubs, on which he wanted a big trade-in allowance, was \$320. The "wholesale" price of the clubs that the manufacturer gave to a dealer was \$98. It is difficult to reconcile a spread this great.

The pro mark-up is always 40 per cent, Murphy notes. In compiling his book, he has adjusted store prices to the 40 per cent by marking up "wholesale" prices on the store lines by this percentage.

Very few pros will allow anything on store clubs over two years old. There's simply no market for them. They are in the junk category.

### **Fair Price for Customer**

The object of the Trade-in Guide is to give a consistently fair price to the customer, Murphy says. Very few pro shop

customers want anything more, but when they haven't any printed reference even approximating a fair price for used clubs, they are going to look around until they find a pro who doesn't know what the trade-ins are worth and hence gives too big an allowance. The result is that two pros lose money.

Another costly situation the Murphy Trade-in Guide will correct, according to the publisher, is in those cases where a pro tells his member that he will allow what the clubs can be sold for. That leaves the pro making two sales instead of one and actually realizing a profit on only one sale.

### **Differences of Opinion**

There are differences of opinion on the condition of clubs. Hence this factor of evaluating the trade-ins is variable. Superior trade-in value is placed on clubs that consumers prefer because the club brand names have been firmly established.

In their comments on the questionnaire, pros frequently expressed the opinion that while the automobile industry's compilations of price bases on used cars haven't proved to be the whole answer to the trade-in puzzle, they at least have given automobile dealers a start on reasonable bargaining. The present pro situation is so lacking in a policy that almost any sensible start toward the objective of stabilizing, and making allowances uniform, is well worth a trial.

Murphy's first annual edition of his guide to Club Trade-ins shows enough promise to warrant the endorsement it has received from thousands of pros and several PGA groups.

This is a book that should be around pro shops where members can see it. It should prove to be a great selling aid.

### **Dogs Guard Open Site**

Patrol teams of man and dog are now in operation guarding the 1964 site of the USGA Open from vandalism. The USGA has given its full blessing to the unusual plan to protect the Congressional CC course in Washington, D.C. The teams will be used around the clock in eight-hour shifts and it is expected that more teams will be added prior to the tourney.