

# PROFILE OF A MERCHANDISER

from shopboy to pro-manager, Nick Lombardo has

steadily climbed upward—today his shops gross over \$300,000 annually.

By DON CURLEE

Nick Lombardo is now completing his third year as professional and general manager of the historic Del Monte Golf Course in Monterey, operating under a liberal eight-year contract that is a landmark in its own right. It is all the more noteworthy because, before Lombardo, Del Monte Properties Company, which owns Pebble Beach and Spyglass Hill as well as Del Monte had operated for more than 45 years without granting its professional a proprietary interest in the shop, including golf car rentals.

Lombardo's interest is *really* proprietary. The Lombardo golf shop grossed about \$300,000 last year. That includes revenue from the branch of the shop that has been operating for more than eight years at the Fig Garden Golf Course in Fresno. Lombardo is designer and one of the owners of this successful semi-private course.

Trained in the 40s and 50s in the school of golf that has prevailed popularly and profitably in the Chicago area for many years, Lombardo has applied the same tech-



Nick Lombardo, takes down a three-pack for a customer at Del Monte. Ball display on wall catches the golfer's eye, and leaves solid top counters for other use.

niques to his California locations that brought success to golfing families such as the Walshes, the Coghills and the Jemskes around the Chicago area.

He is a strong believer in the ownership-management of golf operations by capable, golf-knowledgeable people, and he believes they can operate profitably for public enjoyment. He refers to his training ground as "the postgraduate school of golf."

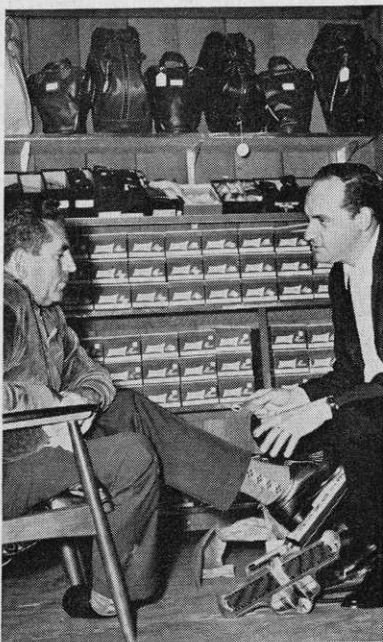
Operating profitably, in Lombardo's language, means merchandising golf—the course, the food and beverages, electric cars, and most of all, equipment and other golf merchandise. With him, it is all one big ball of wax, but every part of the total belongs there, and he stays right in the middle to make sure it hangs together.

He's a salesman at heart, but he's a salesman who is in love with golf. He sold vacuum cleaners during the off seasons in Chicago, and served as sales manager in Oakland, California, for a vacuum cleaner manufacturer for a year. In spite of the attractive financial return (he made more in a month of selling than he did in the rest of the year as an assistant professional), he found golf irresistible.

He likes to talk about "romancing" his golf products, meaning that he believes in building them up in the minds of the customers, making them as attractive as possible. Usually, this includes an attractive price too, but first it involves having the merchandise on hand for customers to *appreciate, feel, try on or try out.*

When he talks about his approach to sales it comes out in three basic steps, not necessarily original: (1) Create a need for the product (this could include providing a golf course as a need for golf equipment); (2) Promote

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*Although busy with over-all management of Del Monte, Lombardo always takes time out when old friends drop in. Here, his cordiality was rewarded with the sale of a pair of shoes.*

## Pro Merchandiser

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a desire to own in the customer (it could take six months of "romancing" the merchandise, with a big assist from advertising); (3) Show customers how they can pay for the merchandise (it helps to provide easy financing and budget plans).

"When you're selling, you have an obligation to your customer to fill his needs not only financially but esthetically as well," Lombardo says. "This is an obligation you incur every time you take money for a product or service. As a result, the price becomes secondary. If I were depending on price, I would have been out of business long ago. Customers like a bargain, but not for long if the merchandise they buy isn't worth the bargain price they pay." Customer satisfaction is a key element in Lombardo's success.

"If all my customers bought only once, I'd go broke," he reflects. He treats all of his customers as if he expects them to come back to buy from him again and again—and most of them do.

It is his conviction that the pro shop should offer its customers the complete range of price and services they would normally receive at any other retail establishment they frequent.

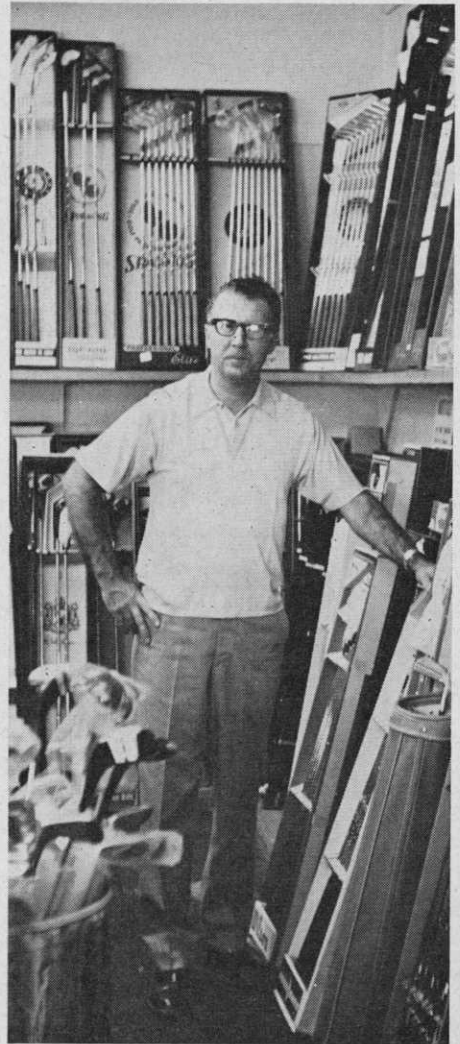
"Most pro shops at one time carried only high-priced equipment," he says, "and I tried hard to prove that we could be competitive with the drug stores—with better equipment. When I sold low-priced merchandise, I was careful to explain its value, and, when golfers learned to appreciate better equipment, they usually came back to see me."

Merchandising techniques of the giants of the retail industry—Penneys, Sears-Roebuck, Montgomery Ward—can effectively be applied to golf sales. Lombardo likes to note that, "with \$9 billion in sales per year, Sears can't be wrong." These retailing techniques, coupled with the specialty knowledge of the professionals, equal success in the golf business.

It was just this formula, plus the response it engendered in the customers in

the Fresno area, that produced \$100,000 in sales for the Lombardo golf shop at Fig Garden during its first full year of operation in 1958.

Part of the formula included the utilization of all advertising media: TV, radio, newspapers, and, above all, customer satisfaction. This, together with Lombardo's typical 18-hour day, with his



*Lombardo's brother-in-law Gordon Knott is manager-professional of the Fig Garden Golf Course. Nick Lombardo and Knott teamed up in 1960. Besides Fig Garden, they also operate a sportings goods store.*

telling his story to all who would listen, created success at Fig Garden.

Lombardo offered to share his techniques with other professionals in the area by offering a sales program so that together they might benefit from realization of the potential lucrative golf business of the area.

"I learned that we golf professionals

Phase three consisted of the actual steps taken to promote golf play at Del Monte.

Increased local play figured prominently in his traffic building. A good deal of it has come in response to the incentives he has offered in a variety of multi-play plans—annual and monthly cards, a special rate for senior citizens, a women's club with a guest rate.



*The 40 golf cars at Del Monte are Lombardo's property, in care of assistant Lee Russo, right.*

all face the same battle to reach our market and, unless we wish to surrender a tremendous sales potential, we must work together in this task."

Although response to his offer was negligible in the Fresno area, Lombardo's merchandising reputation preceded him to the Monterey Peninsula where other golf operators regard him with respect.

One of his first goals at Del Monte was to increase golf traffic through a three-fold plan:

Phase one was the establishment of a working relationship with the golf course superintendent that would satisfy the needs of the golfers, and modernize the course maintenance program. This was successfully achieved with superintendent Larry Lloyd, Lombardo's "right arm."

Next, he expanded the facilities of the pro shop and changed procedures to accommodate increased golf play and sales.

Response was immediate and the volume of general public play has been on the rise ever since. The women's club alone has grown from 28 to more than 100 in about a year.

Tournament volume at Del Monte has also increased markedly. One reason is that green fees, prizes, a mid-tournament lunch and, often, a souvenir (such as a golf ball or towel), were included in the invitations as one attractive package. The package price, while a bargain, did not surrender valuable profit.

Actually, it usually represents little more than a slight concession on the green fee (down to the approximate level of some of the annual and monthly card-holder rates), with everything else in the package bringing its usual return. But that's merchandising, Lombardo style.

As a traffic builder, the tournaments can't be topped. Lombardo increased

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## Pro Merchandiser

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his shop sales at Del Monte to prove the point—250 percent in his first year there. A major responsibility of his full-time secretary is to help him keep in touch with representatives of groups throughout California that might be interested in holding events at Del Monte.

Encouraging heavier play is the major means to selling golf merchandise. Lombardo, as well as being stimulated by the challenge, recognizes this as the profitable side of the golf business.

In anticipation of the increased traffic at Del Monte, he and his partner assumed the full cost of remodeling the pro shop, expanding its facilities by 30 per cent.

Golf has been Lombardo's life since he first went to work in Chicago for Marty Walsh at Hickory Hills. He was to quickly learn that he had to live golf, because he was there from sunup to sundown, and during the next few years he did everything you can do at a golf course from sweeping out the pro shop to tending bar.

Later he took a job as assistant professional at the Country Club of Detroit, mostly because he wanted to get the private club viewpoint of the profession he had by now chosen as his life.

It was Marty Walsh and the Hickory Hills experience, however, that taught him a little bit of everything about golf management. That is where he was first exposed to the fundamentals of a golf management career—he has been building on them ever since.

As professional and shop owner of the 111th Street Golf Center in Chicago, he put in a full summer of 18-hour days, during which he gave nearly 1,000 lessons. His wife, Jo Ann, ran the pro shop during the day while he gave lessons and he took over the shop and driving range in the evenings.

Then, about 20 pounds under his normal weight but satisfied with the results of his labors in the long, hot Chicago

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summer—\$3,000 in his pocket and a new car—Lombardo headed west for what he thought would be a vacation. As it turned out, it was the second stage of his golf business career.

During a visit with in-laws in the San Joaquin Valley of California, he learned that a group in Kingsburg was planning to build a nine-hole course and form a club in connection with it.

It was a little like Hickory Hills all over again when Lombardo was hired by this group. He designed and built the course, sold memberships, managed the public and membership relations program, and worked shoulder to shoulder with members on the end of a shovel and behind the wheel of a tractor, shaping and grading fairways and greens.

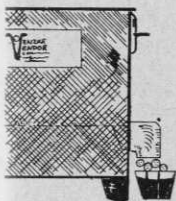
Before construction was complete, Lombardo was operating a golf shop in the

garage of his home, proof of a golf wife's patience. Later, the shop was moved into a vacant building in downtown Kingsburg and he kept pumping the merchandise through it, and pumping up golf interest at the same time. By the time the course opened, the number of well-equipped golfers was so high that heavy play and increasing interest was just inevitable.

At Kingsburg, Lombardo specified from the first that he was to receive a salary from the club in addition to the profits from the pro shop, lessons, the restaurant and the practice range. That was, he explains, so that he would give his first allegiance to the members and the club and affairs of their club.

Although the Kingsburg course experienced steady growth (the second nine was added later) and the pro shop sales increased each year, the dream of building his own course lured Lombardo from this small rural community. Fresno is the

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closest population center and it was natural that he should look in that direction. When he made arrangements to build his own golf course there it was the third major step of his golf career.

Thus, Fig Garden became a reality in 1958. Equipment sales rocketed and Lombardo managed the pro shop and the course's heavy play with time left over. When an arm ailment kept him from playing regularly he found that he had time on his hands.

He then formed a team in 1960 with his brother-in-law, Gordon Knott, another former Chicagoan who is one of the partners in the Fig Garden course. Together they opened a sporting goods store in 1962. Once it was open, he couldn't resist the temptation to sell, sell, sell. Volume and profits began to reflect his sales talent and the store became very profitable.

The call to Del Monte, his fourth step up the golf ladder, came after Lombardo had a firm grip on the sporting goods store as well as Fig Garden.

At Monterey, most of the sales are what you would expect in a vacation area: balls, wearing apparel, and specialty items. Lombardo carries 600 pairs of shoes and is finding that they can be sold briskly at Monterey, especially some of the sportier styles and two-tones. He expects to move golf bags actively, too. His inventory is about \$30,000 wholesale, larger than he prefers but, "having plenty on hand, is the price you pay for the tourist trade," he says.

Some merchandise, he finds, will move well at Fresno, but not at Monterey. This gives him a chance to transfer stock from one branch of his shop to the other.

Lombardo appears not to be able to get enough of golf—it's obvious he loves it.

"If anyone had told me when I first got into golf," he says, "that I'd be making the money that I make today and enjoying the life that I have, I wouldn't have believed him. In fact, I would have told him he was crazy. ●