

Profits wrapped in cellophane

Displaying cigars in compact counter unit pays off handsomely for several country clubs.

Inflation is an ugly word. It means higher prices and a hard squeeze on business incomes. Whether we like it or not, it is hitting all types of business, including country clubs.

In the past, club management has relied mainly on those areas such as restaurants and bars for the bulk of their club income. Cutting operational costs to the bone in these areas really didn't help to make up their lagging incomes. Now, feeling this squeeze, club managers are being forced to investigate *all* possible avenues to produce additional income—without increasing operational costs.

One 225-member club in the New York metropolitan area decided to analyze its problems and found that it was doing as much business as possible at the bar and in its restaurant. Other areas of gaining additional income seemed almost nil. A check with outside merchandising people showed that the sale of cigars was showing a large increase in usage by consumers in general.

An investigation of the club's cigar sales showed that, as in most clubs, cigars were being sold individually from the box or humidor at the club desk and bar. These items were simply handled as an accommodation to members and guests. If a member wanted cigars, he had to ask what brands and shapes were available. No club could possibly stock all the brands and shapes the members might prefer. It would be the same as a club attempting to stock all the brands of liquor and wine each member wants.

Good common sense indicated that the same merchandising methods used by retailers would be applicable here:

1) Stock the quality brands which had the most best-selling sizes and shapes.

2) Price was to be no deterrent. After all, the club had a "captive" customer, and, if the proper brand and shape were available, there would be no sales resistance. However, don't over or under price your cigars. Sell a 30c cigar for 30c and be satisfied!

3) Try to find or develop some way of displaying the variety or shapes in very little space.

4) Attempt to merchandise the cigars with little or no extra attention.

5) Be sure that the members are always able to obtain fresh cigars.

The club manager spoke with a cigar smoking member and was informed that a world leader in luxury cigars had recently introduced a merchandising concept that was the answer to the above criteria. Contact was immediately made with the manufacturer to discuss the possibilities of increasing club cigar sales.

The manufacturer, Gradias-Annis, Division of General Cigar, maker of Gold Label cigars, suggested that the club test their new Golden Pak Bar. This is a special display unit that stocks six of the best selling cigar shapes and sizes, packed in alumipaks of three, four, and five cigars. Personalized packs with the club name are obtainable with specified minimum orders. The alumipak is constructed to protect and preserve the freshness of the cigars. The display bar is a permanent all-wood construction display, laminated in gold, that takes up no more counter space than a single box of cigars.

One look at the display bar convinced everyone that this was worth trying. Best

of all, it would cost less than \$20 to get the program started.

It was agreed that the present inventory of brands and shapes would be retained and that the only difference would be in the installation of the display unit. In addition, it was agreed that since this was a test, the unit would only be installed at the back of the club desk on top of the glass humidor currently stocking boxed cigars. This was far from the best location but would certainly test the efficiency of the display unit.

The result was fantastic. In a period of 18 weeks, a total of 1,091 premium priced cigars were sold. Furthermore, sales from the boxed cigars remained identical to the previous year. In short, all of the sales from the display bar were plus sales secured without any additional effort. Furthermore, sales from the display bar were higher than those sold in a regular cigar store. The club is convinced that they can make additional cigar sales

through the uses of the cigar display bar. They plan to install a unit at the bar and in the pro-shop. Interviews with various members and their guests have indicated favorable response to the concept.

These display bars also had great success at other country clubs. For example, from June, 1966 to December, 1966, a Pennsylvania club installed this manufacturers unit for the first time and sold a total of 1,222 cigars of various sizes during this period. Another club in southern California enjoyed similar success.

A recent smoking survey conducted by GOLF Magazine indicated that 91 per cent of smoking golfers smoke while playing and 88 per cent of these would purchase their products at the club, if available. Even though the total dollar volume is not huge, the sales potential of cigars at the country clubs should not be overlooked. No one has to do anything extra to secure extra income at an excellent profit. ●

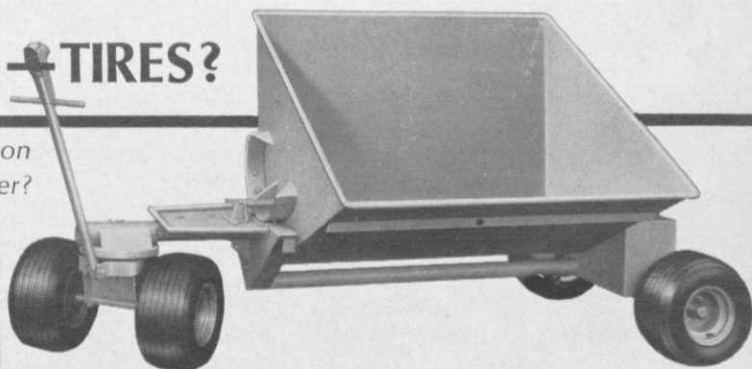
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