

# THE UNIQUE PRO SHOP PLAN:

# FROM MILL RIVER TO HYLAND HILLS

Jim Bailey, Hyland Hills' professional, has adapted the Mill River Formula to his municipal course operation—with apparent success

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Photos by Lois Barr



Jim Bailey outside his pro shop at Hyland Hills.

**P**ersuading golfers to support the home professional is a universal problem, a minor plague at golf and country clubs, a major epidemic at public courses.

One solution is the pro shop membership plan used by professional Ray Montgomery at Mill River Club, Upper Brookville, N.Y. For \$50 annually a club member may buy any regular merchandise at 10 per cent above wholesale, plus freight and taxes.

What's good for the goose may not be good for the gander, or in this case private versus municipal golf shops. But after reading about Montgomery's promotion scheme (GOLFDOM, October/November, 1970), an enterprising municipal course professional adapted it to his operation.

Jim Bailey is golf professional-manager at Hyland Hills GC, Westminster, Colo. He has a reputation as a sharp merchandiser and golf program promoter ("Try Promotion," GOLFDOM, August, 1970). His course is a municipal type, owned by a suburban parks and recreation district near Denver.

Montgomery's operation, on the other hand, is at a private club. His pricing plan, which is mandatory for Class-A members, creates automatic income and gives each member a reason to buy from his professional. In 1970 with 260 men golf members, it meant \$13,000 extra gross income. Shop sales, during the first three months of the plan, more than doubled over the same period last year.

Bailey faced some handicaps in trying to adapt such a plan for Hyland Hills: 1. the course and pro shop are open to everyone who wants to pay a green fee or buy merchandise; 2. there is no way to automatically enroll or bill a member, and 3. such a plan would be totally new to the area, and other professionals and suppliers might fight the "discount" approach.

**B**ut one factor overcame all these objections. Hyland Hills, now seven seasons old, has active men's and women's golf associations. Each has about 200 members, paying a \$15-annual dues for tournaments, dinners and handicap services.

These 400 regular golfers, including 57 husband and wife pairs, feel they "belong" to Hyland Hills. Most live nearby. Bailey is "their" professional, although many have been buying store line equipment and apparel.

So Bailey started his own pro shop membership plan, aimed at these 400.

Here is how it works:

1. The plan is optional for currently paid members of the men's and women's golf clubs only;

2. To get plan privileges, a member must pay a \$25 membership fee;

3. All merchandise except tagged sale specials will be sold at 20 per cent discount to plan members. Only extra costs are a 4 per cent sales tax and freight charge on special orders;

4. Merchandise may be purchased for personal use only or for actual gifts, not for resale;

5. Special orders and custom equipment are not returnable unless damaged or faulty;

6. No trade-ins will be taken on clubs purchased through the plan. Used clubs will be accepted on consignment, then refurbished before sales. Income on such clubs may be credited to the member's account or returned in cash, less repair costs;

7. Master Charge and Bank Americard charge purchases are allowed, but finance service charges are added to the price.

A major difference from the Mill River Club plan is that Bailey must sell each membership and collect in advance; for Montgomery the club bills members \$10 a month from May to September. The discount system also differs in the 10 per cent above wholesale at Mill River against 20 per cent off normal markup (about 10 per cent more) at Hyland Hills.

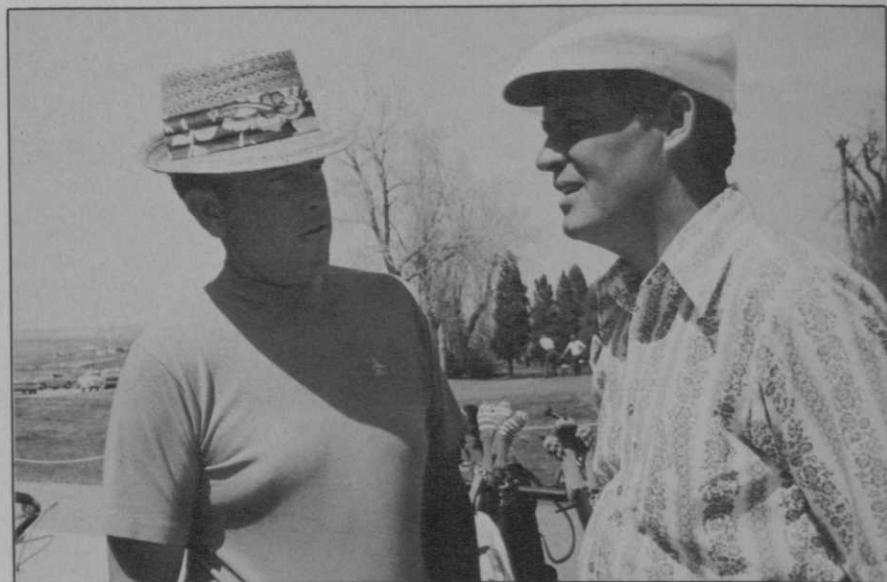
Under Bailey's plan, members thus can buy top-grade golf balls for \$1.04 versus \$1.30 each, including tax. A putter regularly selling for \$15.60 goes for \$12.48. A set of the best clubs retailing for \$364 is reduced to \$291.20.

The plan sells itself and pays for itself to any member who buys clubs,

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Bailey points out qualities that make up a good iron to Mrs. Ernie Azlein of Denver.



Bailey talks golf with Dick Doffenbow of Westminster.

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**Hyland Hills**  
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Bailey tutors Dick Miller, Hyland Hills' instructor.

says Bailey. The golfer is encouraged to buy a top-grade set at the pro shop, not downtown. This is promotion, education and teaching all rolled into one.

Bailey says that he started the plan primarily to justify large inventory through rapid turnover. He carries an average of \$40,000 retail value in a large shop. It turned over about three times in 1970; Bailey wants to turn it five times.

"The demonstrated psychology of municipal buyers is that volume not only turns the merchandise, but encourages impulse buying at point of sale," declares Bailey. "Cutting inventory only destroys income potential as a carryover from lessons and other services."

Bailey also emphasizes the importance of no-trade policy on clubs. He was concerned over a \$5,000 stock of unsold used golf clubs left from last season.

"These clubs represent unrealized profits on sales," Bailey points out. "The consignment-only rule will be the plan's greatest asset from our standpoint, I believe. Our buying golfers should develop a more realistic attitude about the resale value of their clubs. As they learn, it bridges a communications gap about our business."

**T**he plan was first presented to the membership in a special mailing last December 17th, effective through 1971. Five men took immediate advantage of the offer to buy clubs for Christmas. About 40 more memberships, mostly to couples, were sold before the golf season began with a Tee-Off Dinner April 16th.

Sales have already increased, based on early spring returns. Club sales volume for March alone was double 1970. Good golf weather and a close-out sale of pro-line clubs helped. Ball and glove sales were also up.

A member joining the plan must pay \$25 in full. He signs a small membership card and presents it to a shop staff member when he buys. Bailey carries the fee revenue under the category "rentals."

Maximum participation would bring in \$10,000 annually. Because only 343 different families are represented, real income potential is about \$8,500. Bailey says that he expects to sell 80 to 100 memberships this season, to make \$2,000 to \$2,500.

A few non-members now wish they were members of the men's and women's clubs. But the rosters are filled at 200 each. Bailey hasn't detected enough resentment to cost him business, though. Potential complaints from other nearby municipal professionals were answered in advance. Bailey sent copies of the mailing to his competitors, explaining the discounts were for members only. Neither suppliers nor local stores have objected. No other approval was needed for Bailey to offer the plan. He is a nearly-independent lessee of his business.

"We needed this plan to reach our price-conscious customers, to broaden our market for quality lines," he says. "Our success will depend on continued promotion. For example, we could give our plan members a gift next Christmas."

Bailey's pro shop, covering 1,200 square feet, is part of an 8,000-square-foot, one-story clubhouse. He carries a continuous inventory of eight club lines, half a dozen soft-goods lines, two shoe lines, several price levels in golf bags and gift items such as cocktail glasses. He normally places large orders in fall for spring, and in spring for fall-Christmas. His staff includes wife Marcia, LPGA professional-teacher and shop assistant, two other full-time assistants and two seasonal assistants-starters.

Bailey's income depends about 60 per cent on pro shop sales, 20 per cent on golf car rentals, 10 per cent on the practice range, and 5 per cent each on lessons and club pull-cart rentals. He is paid a modest salary by the District, plus all golf concessions less 5 per cent of shop gross as rent.

Hyland Hills has 18 regulation holes plus a par-three-nine. Play in 1970 totaled about 86,000 rounds. □