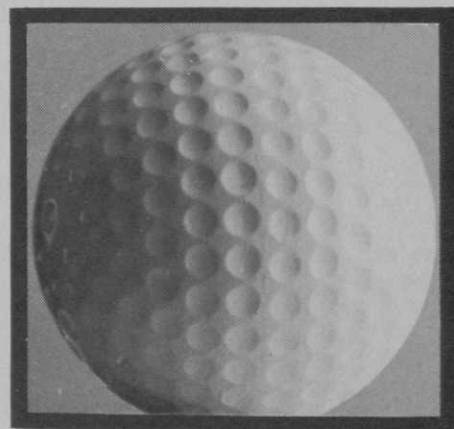


PRO BALLS The Makers, The Market, The Future



Golf balls are becoming one of the most important pieces of merchandise in the shop, as prices continue to rise on clubs and softgoods and pros attempt to keep profits from sagging.

From the manufacturers' viewpoint, the ball market is an important part of the entire equipment scene. Pro shop sales account for over \$50 million a year. Acushnet Co. holds onto the lion's share with at least 45 percent of the trade, although Acushnet vice president of marketing Dean Cassell says the figure is a "conservative estimate."

The current market shapes up with Acushnet leading two other top companies, Spalding and Dunlop, and a scramble for what's left over. There is little doubt but that the ball industry is probably in its most competitive phase in history. Advertising campaigns have been cranked up by many of the manufacturers as they try to get a better market share and catch Acushnet.

Caught up in the search for the durable ball, many of the manufacturers are turning their production schedules for the future toward Surlyn. The thermoplastic ionomer resin produced by DuPont has revolutionized the industry and developed a race with the distance-related balata cover. Estimates from industry watchers indicate though, that Surlyn will probably make up 85 percent of all balls manufactured in the next couple of years.

Surlyn's rise has apparently been aided by an uneasy economy during the past year. Golfers are looking for the ball that will last longer and absorb more punishment. Controversy is rampant. Balata makers

stress that if golfers want distance, they have to live with a destructible ball. Surlyn proponents vow average golfers can do just as well with the durable ball.

Even as Surlyn and balata differ, marketing philosophies for the makers differ. At the top, Acushnet's Cassell. "We attempt to do the total job for the consumer. We try to make a product with value. We try to provide different types of balls for the varying needs of the public," he said from his Massachusetts office.

Two years ago, Acushnet took a gamble with the dimple configuration on its Titleist balls and the switch has paid off. Reducing the dimple number to a final 324 from 336, Acushnet spent over \$500,000 on extensive testing. Cassell admits the change has benefited his company's continuing growth.

Servicing the pro has been the most important factor in Acushnet's climb to the top. The firm has 65 field salesmen, giving it one of the most formidable forces in the business. Standing staunchly by its pro-only policy, Acushnet, according to Cassell, has proven its dedication to the game.

Through the years, Acushnet has developed its product to the point where it has the enviable position of not paying touring players to use its ball. Oddly enough, it was a quirk of fate that put Acushnet into the ball business in the mid-30's. The firm dealt in specialty rubber parts alone, until founder Philip E. Young came home miffed at his performance in a golf tournament and knew in his mind that it was the ball and not him that had failed to perform. Young convinced a doctor friend to

X-ray the ball to ascertain if it was round. It was not. At that point, Acushnet began its quest for the better ball.

For the future, Acushnet sees added sales in '76, if the economy stabilizes. At Dunlop, though, vice president Paul MacDonald tempers his optimism on the market.

"The pro ball market right now is flat. The growth is not as dramatic as in the '60's. Acushnet dominates the U.S. market, but we are the biggest producer of golf balls in the world," MacDonald said. From two plants in the United States; Westminster, S.C. and Hartwell, Ga.; two in England, and one each in Japan, Ireland, Australia, New Zealand and South Africa, Dunlop's world production is impressive.

Dunlop's Surlyn ball, the Blue Max, has enjoyed success both here and abroad and MacDonald reports his firm's balata balls are also selling well.

Asked to comment on possibly confusing advertising claims among several competitors, MacDonald thinks many are misleading and are a clue to the fight currently going on in the industry over market share. The Dunlop executive looks at the future of the industry positively, but thinks there will be casualties along the way within the competition. With costs for materials and labor escalating, some of the smaller firms may drop out of the market.

In the ball business 10 of its 27 years, Ram Golf Corporation was one of the first companies in the industry to come out with Surlyn and marketing manager Larry Woolsey admits the material has helped establish the company's Golden Ram product.

"Being a pioneer in Surlyn, we realize the future is bright for the durability ball," Woolsey told GOLFDOM, "We are striving for a ball with the feeling of balata, but with a Surlyn cover."

Ram, also, is concerned with the ad claims of its competition and the fact they may tend to confuse consumers. In '76, Ram will begin its own campaign. The ads will emphasize the fact that most balls on the market are good, and manufactured much the same.

With a rising amount of sales

'Any company can rig any test to show what they want. Today's ball advertising is going beyond credibility'

— **Tim Scott**

Marketing Manager, AMF/Ben Hogan Co.

over the last five years, Ram has been able to double its size in the market, thanks to its ball business. The profitability of the company was recently reflected in its purchase by Colgate-Palmolive.

Like other manufacturers, Ram is aware some of its merchandise is being bootlegged into discount stores and golf specialty shops, but according to Woolsey, there really isn't much the manufacturer can do, since he can't police every pro his firm sells to.

Logging nearly eight years in the ball business, the AMF/Ben Hogan Company is one firm that has made great strides in the market in the last few years with a distance ball accepted by a large number of touring pros. According to Hogan marketing manager Tim Scott, many touring pros are using the ball.

As a new entry into the market, Hogan figured the best way to get its ball in the consumer's eye was strive for play on the tour.

Scott is adamant in his attitude toward the ad claims currently being made by his competitors. "Any company can rig any test to show what they want to show. These tests and challenges are detrimental to the industry. Today's ball advertising is going beyond credibility." Scott believes that some ground rules need to be set up on advertising and the claims some com-

panies make.

Speaking of recent litigation against pro equipment manufacturers to get pro line merchandise into discount stores and golf specialty shops, Scott sees these suits possibly winning in the future and causing the death of retail line balls produced by Hogan competitors. Hogan itself only makes a pro shop ball.

"This market is highly competitive at this time with companies trying a variety of things to get an edge. We are experimenting with a durability-type ball, but for the moment, think performance balls are the best way for us to go," Scott added.

Price stability is a big question mark for many of the makers and Hogan is no different. Scott admits with the increased overhead and production costs, it won't be long before costs go upward. There are indications that the price line of several years standing will quickly become a thing of the past and the economy's ups and downs may begin to have a bigger influence on the price of the ball in the future.

One of the oldest companies in the business is Royal Golf Equipment and its national sales manager Bill Neuguth says the ball market is getting tighter with black marketing to discount stores on the rise. "This year has been a tough one on us. The economy has had an influence on things and the distribution of the balls in general is changing."

Neuguth would like to see pro line balls restricted to golf facility

'The pro ball market right now is flat. The growth is not as dramatic as in the '60s'

— **Paul MacDonald**

Vice President, Dunlop Sports Division

shops only and halt bootlegging to the discount competition. "There just isn't anything anyone can do to control the situation," Neuguth conceded.

Royal is currently moving its ball production facilities to the parent Uniroyal plant at Farmville, Va. The old Providence, R.I., plant has been sold and all corporate offices will now be in Naugatuck, Conn.

'I'd like to see pro balls restricted to golf facility shops. Too much black marketing to discount stores is going on right now'

— **Bill Neuguth**

National Sales Manager, Royal Golf Equip.

Royal's decision to move its plant was based on better proximity to major markets and a more efficient operation. Golf ball finishing operations and golf club assembly operations had already been moved to Farmville. The move should be completed by the end of the year.

Viewing the market differently than some of its competition, Royal is going after the average golfer in the biggest way and through Surlyn. "We aren't interested in tour pros playing our ball. Average golfers are the people that buy most products and they are the ones we are interested in," Neuguth added.

Through its Royal +6, the firm has made some inroads into Acushnet superiority, but Neuguth knows there is a long way to go.

As one of the first companies to bring about ball testing claims in its ads, Royal is indeed interested in the confusion that is brewing among golf's consumers. "There is a lot of uncertainty right now. The consumer will continue to be confused. I think most pros realize that a ball's success is relative to the individual golfers that utilize it," said Neuguth.

The Royal official added that his firm's radical departure to the hexagon-shaped dimple has given average golfers a better flying projectile. In spite of the success its users might enjoy, Neuguth indicated that in the near future, it might cost them more to enjoy it. Price increases of between a \$1 to a \$1.50 a dozen appear likely within the next two years.

All the manufacturers previously mentioned have made their mark in the pro shops with round balls, but the two-piece makers, Spalding and Faultless, are also going forward.

Spalding's recent notoriety has been based on its \$250,000 challenge to Titleist, Titleist DT, Royal +6, Blue Max and the Wilson LD. Golf business manager Ralph Carlson told GOLFDOM since the

challenge campaign started last April, sales of his company's Top-Flite have increased 40 percent. "We're very happy with the results," Carlson added.

Several of the manufacturers' spokesmen which talked to GOLFDOM about the Spalding challenge felt it was detrimental to the industry and that several of the major companies in the market were not even included in the challenge. Carlson comments: "Developing the challenge, we decided we would only include the top balls in the market and several of the smaller companies were omitted, because we didn't feel they would be competitive to the Top-Flite anyway."

In spite of the reasoning, Faultless' vice president of operations Ralph Maltby countered with an ad campaign of his own telling the public that Spalding's challenge was little more than a "\$250,000 shell game." "It seems to me, if someone in this industry issues a challenge, it should be industry wide. We were left out. Possibly, it was because we were the only other two-piece ball on the market," Maltby said.

As expected, no one took on Spalding's claim, as Royal's Neuguth says, "it would just add fuel to their fire." No one is sure where the tests and claims will end, but in a random sampling of pro

shops around the country by GOLFDOM, it appears pros and their members are fairly unaffected in their purchasing attitudes, although there is some confusion.

"Members coming into our shop are often confused on what is the right ball for them," says assistant pro Lynn Rautio at the Tacoma Country and Golf Club, Tacoma, Wash., "but we recommend what we believe is the right ball for them and their abilities."

At Tacoma, the shop carries five or six brands which Rautio and head pro Gerry Mehlert consider the most salable. Rautio told GOLFDOM that local discount operations had cut into shop ball sales and the affect has been bad for business. A private club with 400 golfing members, Tacoma's pro shop customers can handle further ball price increases, according to Rautio.

Head pro since 1966, Don Smith has upped his ball sales to 25 percent of his gross since taking over the shop chores at the Charlotte Country Club, Charlotte, N.C. "Our membership (750 in all) believe in the pro shop and with promotions, our ball sales have done quite well."

Smith's situation in Charlotte is a bit unique to that of the country. The club is very exclusive. "You almost have to be born in the clubhouse to get in," says Smith. Along

with that, there is no competition from discounters. The nearest cut rate store dealing in pro line balls is miles away.

"Our members don't really shop around for balls. They know the balls they need are in the shop and they ask what is the best for their individual needs," Smith added.

Off the beaten path of most manufacturers' representatives, Goose River Golf Club in Camden, Maine, has a small shop for its 100 or so members, run by owner Crippf Chefley and his wife Ivif.

Near the Atlantic, Goose River is a club with an expanding membership and despite the economic atmosphere in most of the country, according to the Chefleys, things have been good this year. Goose River does not carry a large line of clubs and a lot of its business is in ball sales.

Selling over \$20,000 worth of balls a year in two shops, John Johnson, head pro at Shore Acres Golf Club and Lake Shore Golf Center in Rochester, N.Y., can speak with authority on the market.

Johnson who is in his 15th year at Shore Acres, does a lot of work to promote ball sales. "Through promotions and sales to leagues, we do a good trade," reports Johnson, who's president of the Western PGA section. His club is also influenced by a recession-proof city in Rochester. Many Shore Acres members work for a national photography concern in town, which has continued to prosper in spite of gloom in other parts of the nation.

Johnson says that discounters hurt his business, too. Bootlegging to local stores is common, but even with that, Johnson thinks '76 will be one of his best years ever.

Two clubs with something in common in sales margins are Sunny Croft Country Club in Clarksburg, W. Va., and Westwood Country Club in Houston. Both figure ball sales at 15 percent of their respective gross intakes.

Pro shop manager Lawrence Myers at Sunny Croft says sales have been good this year, but discounters are catching up. "In a couple years, those stores will have everything I have. It's inevitable with all these lawsuits."

**\$250,000 says
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Only The Longest Ball would make this challenge. \$250,000 to the first of these: Titleist, Royal or Blue Max, Wilson D3, Titleist DT or Maxfli that can beat Top-Flite in a truly meaningful distance test. No gimmicks. Just men & women.

golfers with a knowledge of handicaps, hitting woods and irons until Cypress Research Corp. an independent testing firm, determines the conclusive winner. Top-Flite already won a test like this using hundreds of golfers and beat the other leading balls by 8 to 15 yards! Now Top-Flite challenges them again, one-on-one, in a one-kind-of-test.

TOP-FLITE beat Titleist by 3.3 yards beat Royal - 6 by 20.3 yards beat Blue Max by 3.3 yards beat Wilson D3 by 2.7 yards beat Titleist DT by 8.4 yards

Omega

The \$250,000 shell game.

Omega would like to accept Top-Flite's \$250,000 distance challenge. But we can't. We weren't challenged. Why? Maybe because Omega is the only other two-piece ball. Top-Flite's only rival in construction. And maybe because if they had challenged us, we would have accepted.

Why? Because we claim to manufacture Top-Flite. Which we proved in our own test. Omega versus Top-Flite. Head-to-head. The only two, two-piece golf balls.

Since Top-Flite didn't challenge Omega, you should hit them hard. Challenge Omega. Win or lose, confident about what you can say. And that's probably why Top-Flite won't risk \$250,000 against Omega.

The distance shell game. Can't we help?

Omega

Two-piece Ball by 7.5 inches

Look for Omega in your favorite golf shop.

Charge and countercharge: At left, Spalding started its \$250,000 campaign last April, stating that four of its competitors couldn't beat its top ball in a test conducted by an independent organization. Some companies weren't included in the challenge and responded in kind. Faultless launched a campaign of its own for its slighted Omega ball.

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Calling himself "an old 60", Westwood head pro Lou Nash has put in 40 years off and on at the Houston private club and feels competition is its highest in his memory.

"Our club is a very old, private course with about 350 golfing members. Our sales stay about the same every year and we never have promotions or sales. No high pressure is used," Nash remarked.

Moving into his eighth month as pro at the Country Club of Chillicothe, Chillicothe, Mo., Jerry Ray totally revamped the pro shop, being the first, real head pro at the club since it was built in 1923.

"I'm starting with a clean slate here. My membership has never really been subjected to top-of-the-line equipment, so there is some confusion among them about pro line balls and clubs," Ray noted. Located 90 miles from Kansas City, Ray admits Chillicothe is insulated from outside competition and that he has worked hard to teach his membership the plusses of good equipment.

"Many of my members are worried about the high price of the equipment, though. I think most people around here are hurting when they pay \$1.35 a ball. If it gets close to \$1.50, I think I'll have trouble selling balls," Ray said. The Missouri pro added that many of his members want the Surlyn ball and are interested in balls that do not cut as easily, not necessarily what the brand may be.

Worrying about price increases is part of the pro shop business for Pat Tisco II, head pro at Forest Lakes Country Club, Sarasota, Fla. "I think a lot of equipment companies are going to price themselves right out of this market. The pro-only policy is ineffective," Tiso insisted.

The Florida pro added that most manufacturers reps in Florida were not attempting to enforce the pro-only doctrine and that in Sarasota alone, there were several discounters competing directly with him.

Tiso felt that pro-member loyalty was largely a thing of the past and members, in many cases, were out to get the best price for themselves. "Still, there is an awful lot of confu-

sion about the ad claims some of the ball companies are putting out. I find myself explaining more about equipment every day."

Weather hasn't been a factor Tiso has had to fight this season, but the wet weather of North Dakota has severely cut into two the ball sales and sales in general of head pro James McElhane at the Fargo Country Club, Fargo, N.D.

"At the end of June we experienced 15 inches of rain in three days. We have only had seven holes open since then and my overall shop revenue is down a third," the eight-year head pro noted. That third roughly figures to be \$50,000 this year.

Sporting a golfing membership of 450, Fargo is a private club which supports its pro shop to a point. McElhane told GOLFDOM that he gets discount competition from as far as 240 miles to the east in Minneapolis. "A lot of folks get the Minneapolis papers here and those stores run ads. It's getting so, I might just offer balls as a service."

Most of the pros and manufacturers which spoke to GOLFDOM were uncertain how long it would be before prices would rise, but few doubted it would happen. In fact, most pros felt their respective memberships could stand the increase, since ball prices had stayed relatively the same for years.

Looking at the future of the ball market, most remarked potential for added business is great, but variables like the economy and litigation cloud the picture.

Along with those changes, the ball in the future may change when the United States Golf Association finally develops its "overall distance standard." In fact, the various distance claims may become old news.

According to USGA technical director Frank Thomas, the ruling body on equipment used in this country doesn't want golfers "buying a skill." Thomas was uncertain about when the standard would finally be released, but thought possibly it would be distributed to the manufacturers before the year's end.

"It should be made clear, that the manufacturers are assisting wholeheartedly in the development of the standard," Thomas noted. But, in reality, they have little other choice.

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