



# The lure of e-commerce

Will online buying change the way the industry does business?

BY LARRY AYLWARD, MANAGING EDITOR

**H**e surfs the Web for weather forecasts, stock prices and sports scores. But New Jersey superintendent Trent Inman has never purchased anything online — not even a book from Amazon.com.

But the open-minded Inman, superintendent of Royce Brook GC in Somerville, N.J., admits that his buying habits could change with the influx of dot-com companies dedicated to selling golf course maintenance equipment online. The 26-year-old Inman — he of the Internet generation — is intrigued about the prospect of purchasing chemicals and equipment on the Internet.

“It would make the whole buying process a lot more refined,” Inman insists. “It would streamline your operation.”

Give Inman a cigar. He has grasped what business-to-business electronic commerce prophets in the industry have been passionately preaching to superintendents recently — that online buying from a single site featuring myriad products can make their jobs easier.

Inman is not alone. Other superintendents say they favor the one-stop-shop and call-your-own-shots style of doing business online so they

can quickly compare like products and purchase them without having to pick up the phone and talk to a salesperson.

Peter Salinetti, CGCS and general manager for Schuyler Meadows Club in Loudonville, N.Y., predicts that 75 percent of superintendents will be buying online in five years. “I’m looking forward to the day when (buying supplies online) is as much a part of my routine as anything else,” he says.

If you read the business news, you know that e-commerce is much more than a passing fancy. Forrester Research, a Cambridge, Mass.-based company that analyzes technology change and its impact on business, reports that e-commerce sales will grow to \$2.7 trillion in 2004 from \$43 billion in 1998.

This is not to say that e-commerce is governing the way the golf course maintenance industry does business. In fact, it hasn’t made a significant impact. But it is to say that several e-commerce players are building their Web sites especially for superintendents. These players are furnishing their sites with services that superintendents can use and enjoy — such as chat rooms, free e-mail and technical information — to entice them to visit.

But the question remains: Now that these





e-commerce players are offering superintendents elaborate Web sites, will superintendents visit the sites and participate in e-commerce?

Because if they don't visit and don't purchase anything, these e-commerce companies won't make any money — and it's a good bet they'll soon be lost in cyberspace.

### The players

If you attended the GCSAA show in New Orleans in February, you were bombarded with promotion from Golfsat, a new San Diego-based dot-com company that offers a Web site for superintendents ([www.golfsat.com](http://www.golfsat.com)) featuring e-commerce and other online services. Salinetti, a member of the site's advisory board, believes it will be a hit. "There are few things I've been involved with over the years that have excited me more about the industry than this has," Salinetti says.

But Golfsat has competition. Several new ventures, most of them recent, have been launched or will soon be launched to woo superintendents to buy equipment online, including [www.greentrac.com](http://www.greentrac.com), [www.e-greenbiz.com](http://www.e-greenbiz.com), [www.pgcgolf.com](http://www.pgcgolf.com), [www.xsag.com](http://www.xsag.com), [www.golfsolutions.com](http://www.golfsolutions.com), [www.epurchase.net](http://www.epurchase.net), [www.vwr-inc.com](http://www.vwr-inc.com) and [www.golfbusiness.com](http://www.golfbusiness.com). GCSAA, which is currently selling books, videos and other items online, may also renovate its site to sell turf supplies and equipment.

There are also vendors, from seed companies to soil probe suppliers, who could join the e-commerce fray to sell products on their own Web sites. And you can bet there's probably a few other industry-targeted dot-com companies and equipment vendors waiting in the wings to see how things shake out before they get involved.

What a difference a year makes. In April 1999, Austin, Texas-based GolfSolutions launched its site and appeared to be the industry's top e-commerce player. But the company and its site have struggled and its e-commerce segment is not functioning. The site, developed by John

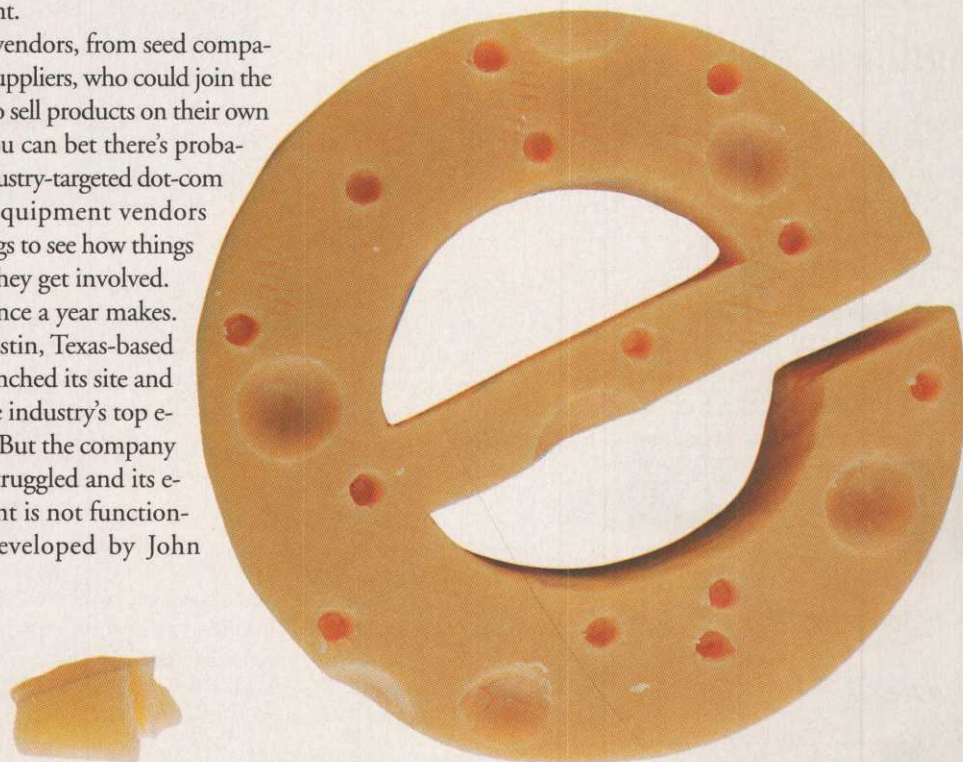
Mueller, has had trouble attracting suppliers. If you don't have suppliers, you can't sell equipment and make money on the sales.

"We were probably a little too soon," says Mueller, who recently took another job and now spends only about 30 percent of his time with GolfSolutions. "It has been more frustrating than I thought. Suppliers say they're not going to come to the site unless there are users, and users say they aren't going to come to the site unless there's added value."

The dot-com players will tell you that building traffic is crucial to creating a successful e-commerce site. Once there's traffic, the dot-com players can tell vendors the site has an audience for their products. Then they can build relationships with the vendors, sell their products and make a percentage on the sales.

Golfsat is trying to build its audience by offering superintendents an array of free cyber goods, including chat rooms, technical information and DTN satellite weather forecasts. When the company learned that many superintendents don't have on-the-job access to computers or the Internet, it developed a low-cost computer program for them. For \$29.95 a month, users can sign up for Golfsat's hardware package, which includes a personal computer, software and Internet access.

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These Web sites currently offer or plan to offer e-commerce to the golf course maintenance industry:

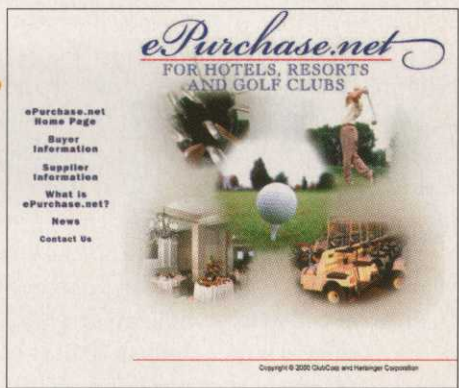


**e-greenbiz.com** — The site offers industry news, an online auction, and a hard-goods catalog “to create an electronic option for green industry professionals.”

**epurchase.net** — This site plans to provide a point of access for buyers and suppliers to exchange products and services, such as golf course maintenance equipment, food-and-beverage services, and broader hospitality industry products. The site is a joint venture between ClubCorp and Harbinger, a supplier of business-to-business e-commerce software, services and solutions.



**golfsat.com** — Developed specifically for superintendents, the site's mission is to “enhance the professionalism of superintendents by advancing their ability to manage their courses with greater effectiveness and efficiencies, through Internet technologies, enhanced communications and server-based software solutions.” Its e-commerce segment should be functioning by fall.



**golfsolutions.com** — This site's mission is to help superintendents and suppliers perform their daily activities more efficiently and effectively. However, the site, which debuted in April 1999, has struggled to attract e-commerce vendors.



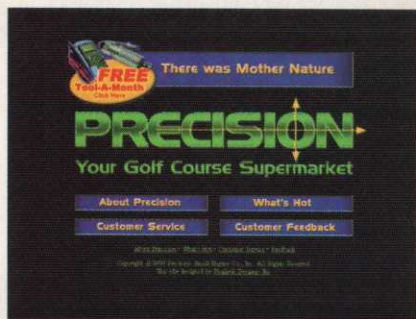
**greentrac.com** — This site features an electronic request for proposal (eRFP) service for specific goods and/or services for purchase within a specific time frame. The eRFP links buyers with vendors, who then respond with multiple competitive bids according to a submitted proposal. The site also features an eAuction function, which offers surplus, used or refurbished equipment and green industry products for sale to the highest bidder.



**igreens.com** — The site is for the business-to-business needs of superintendents, pros, club managers, golf shop operators, food-and-beverage managers, developers and construction companies, equipment manufacturers and service providers. They can submit a request for product or request for quote (RFQ) directly to vendors and service providers.



## The lure of e-commerce



### precisionusa.com —

Precision Small Engine Co., which recently upgraded its site, offers golf course equipment replacement parts, specialized products and other equipment for sale.



### ppgolfgolf.com —

The "pgc" stands for Professional Golf Commerce and focuses on facilitating business-to-business electronic commerce for the golf market, according to the company. It was formed to design, develop and market an e-commerce solution enabling PGA pros and superintendents to buy online from manufacturers, distributors and merchandisers.



### xsag.com —

This site offers a forum for buying and selling agricultural products such as chemicals, seed and fertilizer. It handles two types of auctions: A forward auction, where a seller lists product for sale and potential buyers bid against each other at higher and higher prices until a winner is determined; and a name-your-price listing, where a buyer lists the product he or she wants to buy and allows potential sellers to bid for the business. Look for xsturf.com soon.

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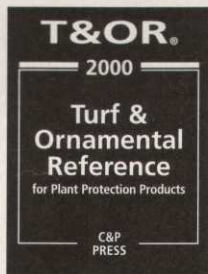
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"Our main objective has always been to serve superintendents by connecting them to a community of their peers with the vision of conducting business online," says Mike Scott, Golfsat's founder and CEO.

"We're establishing connections with manufacturers and distributors and fleshing out the buying process with superintendents," adds Scott, noting that Golfsat's e-commerce segment will be functional worldwide by September. "Crawling before you walk is vital."

Don't think that building an e-commerce site is a matter of spending an afternoon at the computer. Andy Masciarella, president of Pompano Beach, Fla.-based Precision Small Engine Co., has spent more than two years and \$100,000 refining his company's Web site, [www.precisionusa.com](http://www.precisionusa.com). Precision supplies replacement parts for golf course equipment and offers more about 77,000 parts for sale online.

"Our new enhanced site is much easier to use and navigate," Masciarella says of the revised site, which debuted in April.

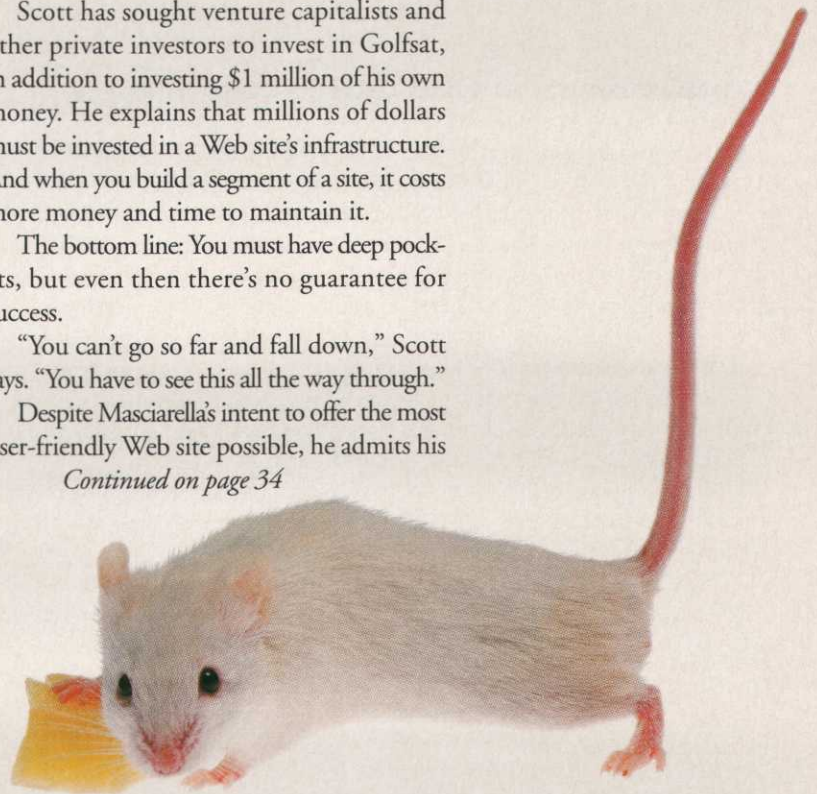
Scott has sought venture capitalists and other private investors to invest in Golfsat, in addition to investing \$1 million of his own money. He explains that millions of dollars must be invested in a Web site's infrastructure. And when you build a segment of a site, it costs more money and time to maintain it.

The bottom line: You must have deep pockets, but even then there's no guarantee for success.

"You can't go so far and fall down," Scott says. "You have to see this all the way through."

Despite Masciarella's intent to offer the most user-friendly Web site possible, he admits his

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## e-controversy

### The golf industry's entry into electronic commerce is not without controversy.

There's enough drama going on to rival an afternoon soap opera.

GCSAA is at the center of the fuss. In January, the association sent a letter signed by Robert A. Shively, senior director of corporate marketing, to its vendor members informing them that GCSAA would soon be developing a business-to-business e-commerce Web site. The letter advised vendors not to team with other e-commerce vendors until they could see GCSAA's plans.

"We encourage you to wait to see what GCSAA has to offer ... so that you can effectively evaluate the strengths and weaknesses of the vendors who perform this type of service," the letter said.

At least two of those competing vendors — *www.golfsat.com* and *www.green-trac.com* — are also GCSAA's customers. They advertised in the association's magazine and bought space at its trade show in New Orleans.

Despite its tone, GCSAA's letter wasn't intended to be competitive toward Golf-sat or Greentrac, said Julian Arredondo, GCSAA's chief financial officer, who's helping direct the association's e-commerce efforts.

Scott Woodhead, GCSAA president and CGCS of Valley View GC in Bozeman, Mont., says the letter was sent to industry partners to simply let them know that

GCSAA was exploring e-commerce possibilities.

(Arredondo also noted that GCSAA has several customers/competitors, including Golfdom and other publications, which compete with the association's magazine but also exhibit at its trade show.)

Despite the letter, Arredondo told Golfdom that the association hasn't decided whether it will implement a strategy where vendors will sell their products and equipment on GCSAA's Web site. Arredondo noted that GCSAA is already practicing e-commerce and

**"I was angry about it. But what can you do?"**

— John Mueller,  
*GolfSolutions*

sells books and videos at its site, *gcsaa.org*.

"We meant the letter to say that we're looking at the expanded implications of the 'Net,' Arredondo says. "We will have expanded e-commerce on our site. We just don't know what it will include."

GCSAA has been questioned by suppliers and members for its possible role in e-commerce. They think the association, which sells advertisements to many suppliers, would be off limits if it were to then pit those advertisers against each for sales on its e-commerce site while collecting a percentage from each transaction.

Arredondo said that GCSAA hasn't ruled out a partnership with an industry dot-com player. GCSAA personnel have already met with leaders from other e-commerce sites to discuss possible partnerships — which sparked more controversy.

John Mueller, founder of Austin, Texas-based *www.golfsolutions.com*, says that GCSAA officials met with him last summer to discuss a possible working relationship. *golfsolutions.com*, one of the industry's first e-commerce sites, debuted in April 1999. Mueller says GCSAA officials picked his brain for ideas and showed him the door.

"I was angry about it," Mueller says. "But what can you do? That's business."

Arredondo says he wasn't aware of Mueller's hard feelings.

"I don't want to speculate," Arredondo says. "As far as I know, we have a good relationship with him."

Mike Scott, Golfsat's CEO, says he met with GCSAA officials last year about a possible partnership.

"We went way down the road with GCSAA," Scott says. "But at the end of the day, GCSAA decided it didn't want something like *golfsat.com* coming in and having that kind of impact on the marketplace. GCSAA leaders think that role ought to be theirs."

— Larry Aylward

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audience is sparse. Precision's online business comprises only 1 percent of the company's current sales — a distant third behind the phone and the fax.

Faith is another vital component when you attempt to obtain online success. If you're an e-commerce provider, there's no room to hedge. Masciarella isn't.

"I feel good about this," he says. "When the time comes, we're going to be way ahead of our competition."

### Why buy and sell online?

Mike Lukz, equipment manager at Boca Rio GC in Boca Raton, Fla., says he's obsessed with computer technology. So it's no surprise that Lukz met his wife online and prefers to purchase most of the course's equipment online.

"I have all but one of my vendors trained so I can buy online," Lukz says, noting that he simply e-mails them his orders.

Tom Walker picks up the phone when he places a product order. But the superintendent of Toledo, Ohio-based Inverness Club would rather be like Lukz and purchase items with the point and click of his computer's mouse. Walker is tired of calling salespeople and getting their answering machines. He's tired of being put on hold and being transferred to the back of a warehouse.

There are other reasons that Walker favors e-commerce. When he isn't sure what brand of a product he wants, he'd rather visit one Web site to view his options rather than go to 10 Web sites and compare the products. If he needs to reorder eight different products, he can go to one Web site for one-stop shopping.

"If I can go to one site and get a broad representation of the products out there, that's what I'll do," Walker says. "It's like going to the supermarket as opposed to going to six different stores."

Inman believes busy superintendents would find it invaluable to buy online if it meant saving time. The industry's dot-com players realize many superintendents don't like spending a lot of time talking to salespeople, especially when they're reordering products that they already know they need. The dot-com players also know that some superintendents relish the chance to purchase supplies online at all hours, especially at 5 a.m. when a majority of



them begin their days.

"It's another tool for time management," Salinetti says. "You can (buy online) before work, during work or after work. You can do it in a comfortable environment and at your own pace. It's an opportunity to make thoughtful purchases."

E-commerce, however, is not without its drawbacks. While some think it would be great not to talk to salespeople, others view e-commerce as an impersonal way to do business, especially when they have good relationships with business partners and enjoy engaging in small talk on the phone before talking business.

Masciarella says he used to do business strictly by phone with an equipment buyer at the Pebble Beach Co. Now the buyer purchases everything from Precision online.

"I used to talk to him every other day on the phone, and I had a personal relationship with him," Masciarella says, admitting that he misses their conversations. "Now that he does everything online, I never talk to him."

Mueller estimates that only 10 percent to 25 percent of superintendents are ready to buy some products online. Those include commodity products like fertilizers or hole cutters — things that superintendents don't have to see to buy. Most superintendents will still want to kick the tires of \$50,000 mower before they purchase it. You can't do that online.

Tom Prall, manager of e-business for Moline, Ill.-based Deere & Co., admits that cyberspace offers no replacement for test driving a state-of-the-art fairway mower.

"There's nothing like a demonstration," he says.

### **Dazed and confused**

With the influx of e-commerce Web sites, where will superintendents know where to go if they want to buy online? Are there too many "stores"?

"There has to be some confusion among superintendents at this stage of development," Scott admits.

Inman says he would be confused about where to shop if he had his choice of e-commerce sites. But he would select a site if he knew who or what was behind it. For instance, if GCSAA had a Web site along with 10 others, Inman would select the association's site because he's familiar with the organization's name.

Salinetti believes competition between e-

commerce sites is a good thing.

"The best sites will survive by providing the best service and scope of products," he says. "Superintendents will benefit from that."

Vendors, too, are wondering whether or not to jump in the e-commerce pool. And if they do, should they sell products on their own Web sites, team with a dot.com player or both? "We're not involved with any third-party sites to sell our equipment, but we're not closing the door on it," Prall says.

## **More superintendents realize they must open their minds to this newfangled way of doing business, whether they like it or not.**

Mueller believes vendors like Deere would be better off selling their equipment through several sites, even though the sites compete.

"If they start signing exclusive deals with one of us, they're shooting themselves in the foot," Mueller says.

### **e-future**

While it isn't as cyber cerebral as other industries, the golf course maintenance industry certainly is no dummy when it comes to the computer world and buying online. E-commerce has arrived in a big way with a number of players, and more superintendents realize they must open their minds to this newfangled way of doing business, whether they like or not. But it's anybody's guess as to how e-commerce will progress in the industry.

Mueller predicts online buying will grow with the addition of more college-educated individuals to the profession. "They love using the Internet," he adds.

The 52-year-old Salinetti, while not of the 20-something and 30-something Internet generation, insists that grasping the economic ideals of e-commerce is simply a matter of keeping up with the times.

"I plan on being around the industry for awhile, and *this* is part of the game," Salinetti says of e-commerce. "It's going to change the way the vast majority of superintendents do business in the next five years." ■