

The **2006**
Merchandise
Show...& Convention



The Equipment Test Center (ETC) featured 40 hitting bays, two putting greens and elevated chipping area.

More than 43,000 PGA Professionals, retailers and industry leaders representing 75 countries filled the Orange County Convention Center during the four days of the PGA Merchandise Show.



The 13th Annual Golf Range Association of America Golf Range & Short Course Conference & Exhibition
January 25, 2006 • Orange County Convention Center, Orlando, Florida

It's a wrap! The 2006 edition of the PGA Merchandise Show and Convention filled the aisles for four days this past January. If you've never attended this event...do yourself a favor and go next year! Join the 43,549 PGA Professionals and golf industry officials, facility owner/operators and others buyers who visited a total of 1,220 exhibitors.

And while you're at it, come a day early and you can attend both the PGA Demo Day as well as the Golf Range Association of America (GRAA) annual meeting. Highlights of the PGA Show included the Demo Day held at the 42-acre practice facility of the Orange County National Golf Center and Lodge in Winter Garden, Fla.; "Teach-the-Teacher" clinics led by renowned teachers Rick Martino – PGA Director Instruction, Butch Harmon, David Leadbetter and Dave Pelz; daily fashion shows coordinated by Golf Digest; education workshops on a variety of marketing, pro shop and operational topics. And what's a PGA Show without guest appearances by top golf personalities such as Greg Norman, Jim Furyk, Fred Funk, Chi Chi Rodriguez, Annika Sorenstam, Cristie Kerr and Paula Creamer. There was even a "rock 'n roll edge" to this year's event, The Black Crowes performed at a sold-out Friday night concert sponsored by Izod G.



The Golf Demo Day saw more than 4,300 PGA Members, VIP retailers and media test products from 89 participating exhibitors, watch demonstrations and participate in special events.



At the Equipment Test Center (ETC) more than 400,000 golf balls were hit during the four days of the Show nearly equal to some 4,500 rounds of golf played.

The 13th Annual Golf Range Association of America
GOLF RANGE & SHORT COURSE CONFERENCE & EXHIBITION

JANUARY 25, 2006 • ORLANDO FLORIDA

New Ideas and Opportunities Abound for Proactive Owners

By Jamie McWilliams

Acknowledging the powerful allure of the PGA Merchandise Show's Demo Day at Orange County National, the GRAA's 13th annual meeting was streamlined somewhat so GRAA attendees could have their cake and eat it too. The traditional group presentations were encompassed by the afternoon session. "We've been working with Reed Exhibitions very closely," related association President Steve di Costanzo in kicking things off, "and hopefully next year a bus for Demo Day will leave from directly in front of our registration booth."

Di Costanzo welcomed a large contingent of first-time attendees and emphasized that the association is all about communication and networking among members, especially since there now are so many sophisticated venues offering a host of options to their customers. "We take our niche of the golf industry...ranges, learning centers, short courses...and shine a light on this segment of the industry because I can't tell you how many times we are overlooked by the mainstream golf media."

Di Costanzo and Editor-In-Chief Mark Silverman attend all major golf conferences, seeking every opportunity to nurture strong relationships with all of the golf industry associations, including the PGA of America. Di Costanzo noted that one key supporter of the GRAA, the PGA's newly-minted CEO Joe Steranka, has developed an ad campaign that speaks directly to the importance of the GRAA and its members to the golf industry. In terms of player growth, instruction, entertainment and retail, GRAA members need to continue stressing their contribution to the golf industry equation.



Founder and President of the GRAA, Steve di Costanzo welcomes first-time and returning attendees to the annual GRAA event in Orlando.



The GRAA Conference & Exhibition featured a new time format to allow members to attend the Demo Day and return for the afternoon and evening GRAA activities

Presenting Sponsor: Hollrock Golf

Presenting sponsor of the day's program, Dale Gurek, who heads up Hollrock Golf (now a division of British multinational Pareto Golf), enthused that the company's sexy new ad campaign indicates a bold new direction for Hollrock, including higher quality and greater choices in their product line. They have acquired a 50,000 sq. ft. warehouse/manufacturing facility in Ohio. This facility formerly housed SGD Miniature Golf & Supply, and by acquiring SGD's sales force, they are now better prepared to supply whatever range customers want in a timely manner. As such, they want input from all GRAA members to help serve the industry better.

Each year the benefits of being a GRAA member continue to grow. At this year's meeting a full slate of intriguing benefits and new programs were presented.

VGM: Walk Softly And Carry A Big (Discount) Club

Kent Dierks is the maven of the industry's most prominent buying club, VGM Club, and stressed that whether you would like help with a single program, or a host of programs,



The presenting sponsor of the GRAA Conference was Hollrock Golf (a division of Pareto Golf). Dale Gurek from Hollrock Golf used some podium time to discuss the recent acquisitions of both Hollrock Engineering and SGD.

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they're ready to work out a solution that saves your golf facility money on products and services you buy every day. In addition to relationships with more than 150 vendors such as Staples, Dierks announced a new program for discounted cellular service through Sprint Nextel. With four years' experience working with GRAA, if you haven't taken the time to check them out yet, this is the time to do it.



Kent Dierks from VGM Club (the buying group for the GRAA) explains the many benefits accorded GRAA members through the GRAA/VGM joint membership.

New 'Swap Shop' Opportunity With GolfClubExchange.com

Unless you have a foundry, excess inventory in golf clubs comes under the heading of "nagging problems we hate to deal with." GolfClubExchange.com's Howie Rubenstein unveiled to GRAA members a new program as a solution. "We are the world's largest 'golf only' marketplace," he announced. "We launched a huge advertising campaign last year and have hundreds of thousands of customers. With our Members Program we have three opportunities for you to make money through Golf Club Exchange: buying, selling and liquidating."

Participation is online at www.golfclubexchange.com, and through the Members Program, clubs are sold at auction. "Enter the minimum amount that you're willing to accept," Rubenstein explained, "and a 'Buy Now' price, as if someone were walking into your store and purchasing it at retail. It



Howie Rubenstein from GolfClubExchange.com talks about a new GRAA member benefit that allows pro shops to sell excess inventory online through a new auction site.

costs nothing to list and you pay nothing until your golf clubs sell. If nothing is sold, you don't pay anything."

When GRAA members list with the Exchange, they receive the lowest commission offered (just under 9%), the first sale is free, and every listing is highlighted as "featured" – bringing it to the top of the web page (a \$5 value). Additionally, as the database evolves, the Exchange is planning on referring purchasers to the GRAA member range closest to their zip codes. The service

includes collection of payments, arbitration of any disputes, a help desk and discounted shipping via their FedEx account. Because of their relationship with other internet services such as eBay, the products get very wide exposure.

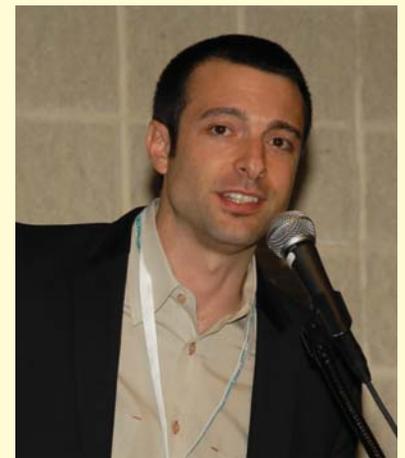
Used Club Market: Opportunity For 'Little Guy'

Rubenstein believes another often overlooked opportunity is for trade-in clubs: "It's a way to capture the used club market rather than having customers going to a big retailer down the street. It's a way to keep the money in your shop." He suggests taking clubs on consignment, and letting customers know you take trade-ins, providing the customer an in-store credit for purchases.

An on-line "Blue Book" price guide helps benchmark pricing, and will also be mailed to members on a quarterly basis. If you need to liquidate inventory, a sister company will accept what you have. "At the end of the season, if you don't want to carry inventory, used clubs or new but older year models, then we can take it off your hands and pay cash for it," Rubenstein emphasized. Clubs can also be purchased through the on-line auction, although this would most likely be the least used feature.

2aTee Golf Brings National Ad \$\$\$ To Ranges

Keith Fiore brings almost a decade's worth of experience in the highly specialized world of "out of home media." Simply put, that's advertising which reaches consumers when they're not at home – such as at the airport, on a train or at the shopping mall. Fiore is using his expertise in place-based media to reach golfers, and so far all the effort has been on-course (golf cart ads with Fortune 500 sponsors for example). Well now, Fiore is unveiling the "Golf Range Network." He believes the timing is right because advertisers – who believe traditional methods such as television are becoming less effective – are putting more dollars into non-traditional media reach programs.



Keith Fiore from 2aTEE Golf unveils the Golf Range Network. GRAA members will be able to participate in place-based advertising programs to be sold and coordinated by 2aTEE Golf with the close involvement of the GRAA.

Everyone knows advertisers drool over the "golfer demographic." Fiore's streamlined approach envisions a risk free program for range owners: "If I was to bring a client like Heineken Beer to

you, some of you would have no problem putting a Heineken ad up, while others might have no interest in posting an alcohol ad. You have control, and the right to make that decision.”

Fiore’s proposal would contribute \$600 to every participant’s bottom line on a monthly basis. “You’ve seen tee divider advertising...an 18 x 24-inch sign placed directly in the line of sight of the golfers,” he explained. “It’s a start, it’s very clean, very simple to get the Golf Range Network off the ground. We’re going to go out to solicit the clients, handle production, have our installers come out to assemble the ads. They only thing we ask is for you to keep the signs up for the duration of the program.” Anything else, like product sampling or literature distribution with display racks, etc. needs the cooperation of the facility in giving the material out to customers.

While most advertising campaigns focus on the major markets, Fiore wants and believes that through the Golf Range Network, ranges nationwide can be involved and benefit regardless of market size. 2aTee has started to survey range facilities to find what GRAA members want (and will accept) so they can start structuring proposals to prospective advertisers. “The purpose of the Network is to put money in your pocket,” Fiore emphasized. “By having all of GRAA’s ranges as a single network, we can sell as an ‘out-of-home’ medium. You’ll never have to pay anything. If we attain enough critical mass in sign-ups, the national advertisers will come.”

Sheryl’s Best Practices...From Soup To Nuts

“What makes one facility better than another?” Sheryl Bindelglass, a longtime manager of one of the nation’s top golf range and short course facilities, and who is now president of her own consulting firm, posed a simple question. If only there was a simple answer. “Is it location, staff, tried and true formulas?” she asked. “A lot of it is a passion for being in the business, which is why you are here today.”

Bindelglass helped make the point by describing how she used her skills in sleuthing, camping, and true grit in solving “The Mystery of the Missing Range Balls.” The adventure began when the range she managed in central New Jersey came close to running out of golf balls despite recent ample orders of supplies. Extensive checking of inventory showed a shortfall of 50,000 balls – nearly 4200 *dozen* – so she knew something was up. Mathematical formulas applied to the possibility of range customers pocketing balls led her to believe a thief with a plan was hauling balls off in a big way.

Solving the case wasn’t simply a quick call to the police. Bindelglass took it upon herself to camp out several nights in an attempt to catch the culprit red-handed. Eventually, her actions convinced the police that she meant business, and fearful that her show of determination might also be dangerous, they got on the case and the thieves were caught in the act. That’s a definite passion for the business.



Sheryl Bindelglass, president of Sheryl Golf, a golf consulting company, presented a variety of topics on marketing and operations at golf ranges and short courses. Here she is shown with Joel xxxx and Jeff Libit from Libitec Corp. in Albuquerque, New Mexico.

Try Multiple Marketing Avenues

Bindelglass emphasized that there is no simple marketing formula for success. What works at one facility may bomb at another, even in the same market. She encouraged owners to consider all media, but in doing so, think outside the box to test the waters in very low cost ways.

“Radio promotions are something people really don’t like spending money on,” she related. “I would try to be creative. I contacted a radio station and said ‘I have no money, but your rep continues to call me. What can we do to make each other happy and work together?’ They brought in a third party, Arizona Iced Tea. All I had to provide was the facility for the Arizona ‘Tee-Off’ and they promoted it like crazy, every time announcing it was at my golf center. It cost me zero dollars, but we received \$10,000 worth of promotion.”

Service Still Sells

“The average customer will spend 10% more for the same product or service if they receive better service,” Bindelglass pointed out. “So the difference between a counter person who just says, ‘Here are the balls,’ versus someone who says, ‘Good morning, and I hope you have a great day,’ can get an additional 10%,” she noted. “It doesn’t seem like much on a bucket of balls, but when you talk pro shop, those dollars add up fast. Plus, a well-treated customer who becomes a customer for life brings in one to two new customers. Conversely, poor service translates into 91% of customers never coming back while telling an average of 18 other people about it.” Compounding service problems further is the fact that customers experiencing problems don’t tell the service provider about it, only other people they know. It’s been brought up many times, but the

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Doug Davis, Miles of Golf, Ypsilanti, MI; Josh Gumlia and Bill Forthofer, Night Hawk Golf Center, Gambrills, MD; Walter Harris from Wrightsville Beach, NC

old adage still applies – that it's hard to get customers, and easy to lose them.

Getting The Groupies...Sales That Is

Whether large or small, full service facility or modest practice center, Bindelglass believes one of the biggest missed opportunities is in the area of group sales: "There's nothing greater than one person going out and bringing you 20 people." Your target area is dead time. A group coming in creates cash, and one of the keys is communication with group leaders. "You can send them post cards, pictures, flyers and lots of different things they'll post on their bulletin boards," she emphasized. "They may send it out as an email blast through the entire company. The point is, they're doing a lot of the work for you!"

Bindelglass suggested this exercise to get the juices flowing: make a Who Needs Your Facility list. Follow up with a Who Do You Know list identifying key contacts for those groups on your first list. If successful in getting the business, Bindelglass emphasized that fulfillment isn't a piece of cake: "You'll be getting rapid fire questions, such as 'what time do we come, do we have to leave a deposit, what if it rains, what happens if I fall below my minimum, what if we have to cancel' and on and on. So the person at the other end of the phone really has to be prepared. So before launching your program, think about the top 20 questions you're going to be asked, and be prepared for things you'd never dream of like, 'can we plug in a Nebulizer,' and so forth. Every year you'll be asked something different."

Like many other industries, establishing programs means package pricing and deciding on discount rates to attract groups. Along these lines, make sure that a group rate sheet is circulated to keep everyone on the same page. "One of the new concepts being used widely by the recreation industry is Consignment Tickets," Bindelglass offered. "You could do it

with adult schools doing adult golf lessons. Giving them consignment tokens or debit cards, they'll sell them and track them. Now, instead of just your facility selling them, you have 20 different sales reps selling them for you. Another trend is gift cards in supermarkets. I can get gift cards for multiple vendors like Best Buy or Borders at the check out line. So if you have a gift card you can increase your reach."

No Pain, No Gain: Tools Of The Trade

Only masochists would claim they get turned on by cold calling. Bindelglass believes a well trained staff can use down time to look up new groups in the phone book, checking that lists are current, and a myriad of other small tasks that frees up your time to keep productive and motivated. Check to see that any printed materials, such as brochures, include information that reminds customers that groups are welcomed. Going a step further, drawing upon your Group Leaders list, giving



Bindelglass assembled a variety of presentation boards of "Great ideas" from range owners she had talked with.

those people free passes pays dividends because of their ability to influence participation of other group members.

Once you have groups coming in, especially businesses and corporations, make sure to give them the VIP treatment, and be proactive in enticing them to keep coming back: "Let's book you for next year," related Bindelglass about an auto dealership, "and because you're a preferred customer, we'll give you the same rate as long as you mail us a deposit to reserve a spot. I had a check in hand within 48 hours."

Telephone, Tele-market, Tele-Everyone!

Many corporations have "Stakeholder" programs. They stress to all employees that every time they come into contact with anyone in the community, they have an opportunity to

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create a positive image of the company. Bindelglass believes the stakes are doubly high for recreation facilities, because so many individuals, companies and groups are potential customers. "I don't care if I'm at a food market or a street fair," she enthused, "wherever you can advertise and promote that you offer group lesson clinics, packages, junior camps, special events...they're dying to hear the information, so let them have it!" By the way, as you form strategic alliances with other businesses, such as hotels (for coupons, brochures, etc.) make sure to thank (and reward) them. (Sheryl Bindelglass can be contacted via her website, www.sherylgolf.com.)



Peter Epperson, owner of a golf range and golf course called Missing Links in Mequon, Wisconsin asks a question.

Burning Question: How Do You Pay Your Pros?

What do you pay your pros? What do your pros pay? Are they employees or independent contractors? These questions are raised every year, pointing out how critical the relationship with professional instructors is for golf range owners. Here is a sampling of poignant questions and the responses moderator Sheryl Bindelglass and participants shared during the open forum.

Are Balls Given Or Paid For With Lessons?

A show of hands indicated that the majority of range owners charge pros for golf balls. Bindelglass felt that her experience in polling teaching professionals led her to believe that they prefer having balls included: "They feel it's more professional

when the student comes and your golf balls are sitting there waiting for the them." She related that many teaching pros tell students to hit a small bucket of balls as a warm-up. The lesson itself typically consumes a large bucket of balls, and another small bucket is provided after the lesson to cap off the experience. While all those balls create great goodwill in the student-teacher relationship, it comes at a price: "Those golf balls represent about \$18 of your income and are also your inventory," she pointed out. "When pros don't have to contribute at all for those balls, they're often very free in giving them out. It is a real dollar amount you have to take into consideration."

How Much, If Anything, Do You Pay Your Pro?

One respondent from Canada operates under a trade-off system: "We don't take one penny of their revenue. However, we ask them as a condition of their contract, that they are willing to teach up to 300 hours a year on our program, and we pay them \$C45 an hour for that. I've done the math, and it's a lot better return for us than taking a percentage of their revenue."



Larry Armatage from Family Golf Learning Centre in Oakville, Ontario, Canada talks about how they compensate their teaching pros.

One GRAA member said all her teaching professionals were full time employees with full benefits, including retirement. The trade-off is that as employees they do everything requested of them, within reason (such as taking half an hour to do a fitting). Bindelglass felt that the range's stage of development as a facility may dictate if and when a teaching pro can be brought on as an employee. An interesting point made was that on the "green grass" (club) side, professionals are almost always staff, but the range business is quite different.

Final Thoughts: We Know It, Now They're Starting to Get It Too

The golf industry is showing renewed signs of growth. Like the weather these past few years, it's been fluctuating between hot and cold, so assessing the big picture is still equal amounts of optimism and pessimism.



Roy Pace, Alpine Target Golf Center, Longview, TX; Scott Ward, Stony Hill Golf Center, Bethel, CT; Paul Clarkson and Gerry Haliburda, Midway Golf, Taylor, MI

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David Rupp, PGA member and owner of Pagoda Golf in Sinking Spring, PA

On the plus side, Baby Boomers are starting to retire, and with more time and disposable income, range owners need to devise new ways to attract this huge market. On the younger side of the spectrum, Generation X is in the prime child-rearing years. While they don't share the habits of their parents for golf (due to sensory overload perhaps), they do want to find activities in which the entire family can participate together. So the opportunities are there for those

who can adapt and capitalize on them.

What's more, range facilities are finally beginning to garner the respect they deserve, because the bar continues to be raised higher. Better teachers, better programs, better grounds, and better shops. It has taken some time, but the general public is now realizing golf ranges may offer the best place for them to learn the game of golf, and meets the demands of today's modern timetables.



Rob Reiver, owner of Dulles Golf Center in Dulles, VA.

GOLF RANGE MAGAZINE'S TOP 50 INSTRUCTORS



Back row (L to R): CHRIS TREMBLAY (Skydome Golf Center, Pittsfield, Massachusetts); ROY PACE (Alpine Target Golf Center, Longview, Texas); JOEL WEITZ (Vitense Golfland, Madison, Wisconsin); MARK MANESS (Golden Bear Golf Center, Carrollton, Texas); CHUCK WILL (Dulles Golf Center, Dulles, Virginia); LEO ZAMPEDRO (Troy Hill Golf Center, Burton, Ohio); RICK DEPAMPHILIS (Sun'n Air Golf Range, Danvers, Massachusetts) **Front row (L to R):** RICH LANIGAN (Golf Center Of Connecticut, Shelton, Connecticut); LORRAINE KLIPPEL (Bumble Bee Hollow, Mechanicsburg, Pennsylvania); LOU GUZZI, (Lower State Road Golf Range, North Wales, Pennsylvania); BARRY GOLDSTEIN, (Polar Shot Golf, Johnson City, New York); MIKE WAROBICK, (U.S. 1 Golf Center, Rockledge, Florida)

For a complete list of the Top 50 award winners see www.GolfRange.org and click on Top 50 Golf Instructors in America.



Liza Abood, teaching pro at Olney Golf Park in Olney, MD picks up her Top 50 Golf Instructors in America plaque.

