

Golf retailers try to dig out of the financial rough

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Susan R. Miller

Martin Aiello had to pawn his clubs during the recession, but now he and other consumers are fueling the growth of stores for golfers.

Before the recession hit, **Martin Aiello** played golf at least twice a week. When the economy tanked, he not only stopped hitting the green, but he was forced to pawn his golf clubs.

"I figured paying my rent was more important," he said.

But, times have changed. Aiello, of Coconut Creek, was one of dozens of golf enthusiasts looking to make a purchase at Golfsmith's new 32,000-square-foot store, which opened in March at Mission Bay Plaza in Boca Raton.

Some say golf is an economic barometer. When the economy is good, people are more likely to buy equipment, pay greens fees and country club dues, and have time to play. But, when the recession hit, the golf industry landed in the rough.

Between 2009 and 2010, the number of rounds played fell 2.3 percent, according to **Greg Nathan**, senior VP of the Jupiter-based [National Golf Foundation](http://www.bizjournals.com/-bizWatch-popup)<http://www.bizjournals.com/-bizWatch-popup>.

But, the industry is getting back on course. A PGA of America study found rounds played in Florida were up 10.7 percent, year-over-year, in January. Revenue at the nation's golf courses also was up 7 percent. "The strength of our business tells me we are climbing out of this recession," said **John Watson**, CEO of Fort Walton Beach-based Edwin Watts Golf Shops, which opened a 5,208-square-foot store in South Miami in February.

The privately held company, which opened 21 stores last year, plans to open four more in April, Watson noted.

A little more than a year ago, [Keiser University](http://www.bizjournals.com/-bizWatch-popup)<http://www.bizjournals.com/-bizWatch-popup> opened its College of Golf in Port St. Lucie, focusing on the business aspects of the game. Enrollment is now at 150, and students range in age from 18 to 62, said **Eric Wilson**, executive director of golf operations.

He said some of the bigger stores are selling to golfers and non-golfers, who are drawn to some of the more stylish clothing.

"There are a lot of people looking at golf attire as casual attire," he said. "That's capturing a new audience."

Austin, Texas-based [Golfsmith International Holdings](http://www.bizjournals.com/-bizWatch-popup)<http://www.bizjournals.com/-bizWatch-popup>, which has more than 70 stores in 20 states, including five in Florida, has a huge selection of shoes and clothing. Officials said it posted its best sales quarter in five years, thanks to new products, improved technology and pent-up demand.

"The bigger picture is that golfers are starting to spend money again," said **Matt Corey**, Golfsmith's chief marketing officer.

Open less than two months, the Boca Raton store has averaged 500 to 1,000 customers a day, GM Steve Shirk said.

"We are doing extremely well in sales," he said. "More people are buying than walking out."

Big box stores threaten mom and pops

Others competing for the golf business include [Golf Galaxy](http://www.bizjournals.com/-bizWatch-popup)<http://www.bizjournals.com/-bizWatch-popup>, which has a South Florida location in Pembroke Pines. Owner Dick's Sporting Goods, which also sells golf equipment, closed a dozen Golf Galaxy stores last year. PGA Tour Superstore has 10 locations nationwide, but none in South Florida.

By being able to offer larger selections, cheaper prices and computer-assisted technology, the big-box golf retail stores have forced smaller mom-and-pop stores out of business.

"It's difficult for them to carry the kind of inventory and make money selling hard goods," Nathan said.

Edwin Watts is taking advantage of the trend.

"We are aggressively going after independents that are no longer performing," Watson said. "They have lost their buying power. We can come in and take them over from day one."

It is also opened a dozen test stores inside of Sears locations. The 2,750-square-foot stores have a hitting bay and launch monitor.

"We are working with Sears to build a legitimate golf business," Watson said.

With the price of commercial real estate depressed and so many deals to be had, there have been plenty of opportunities to find space. But it's not just about pricing. The number of area golf courses and demographics influence the company's decision on where to locate new stores, Golfsmith's Corey said.

"We have been lucky in the last year and a half to be very selective," he said. "We opened just four stores last year, but we are cautious about where. There are more to come, but we will not sign leases until we get the right location."