

Ping-Faith

Part 2: Background Information



Industry Information

Golf as a game has been dated back as far as the early 1400's, but it wasn't until 1744 that the first golf society was formed in Endinburgh, Scotland. The first golf club makers were said to be skilled craftsmen who made bows and arrows for war and the first authentic club maker was recorded in 1603 when he was appointed to the court of the king of England to make clubs for the king and his cohorts. Since then, club making went from wooden to forged irons, to steel shafts, and now a mix of metals and synthetic materials form the golf clubs of today(*a brief history of golf, 2008*). The game of golf has grown in popularity in Canada over the years, and is now one of the top recreational activities in the country, even played more than hockey(*Canada: a golf market, 2010*).

Due to an aging population, baby boomers are leaving the work force into retirement and have more time and less expenses and golf is a hobby that doesn't require a great deal of physical exertion. Between baby boomers, and an increasing number of women playing the game, sales in golf equipment is constantly growing. In a report published in August, 2009, it shows that Canadians spend an estimated \$13.1 billion annually on golf. This includes \$2.1 billion spent on related equipment. Canada's largest golf equipment suppliers are the USA and China but as far as golf clubs go, the American market offers name brand and quality clubs that increase their popularity over all other suppliers(*the history of Ping golf clubs, n.d.*).

Company Information

The company Ping got its name in 1959 when founder Karsten Solheim built his first putter and "noticed it made a 'ping' sound when it struck the ball" (*The history of Ping golf clubs, n.d.*). A few years later, a Ping putter was used to win the PGA Tour for the first time which lead the way to them being "part of over 2,000 professional wins as of 2009"(*The history of Ping golf clubs, n.d.*). The

colour-code fitting system symbolizing the lie angle of the club was first instilled into the industry by Ping in 1972 which has led to their reputation as the best club fitting practices over their competition (Ping, 2010). Recently Ping was recognized on Golf Digest's 2011 "Hot List" where they received eight golds and seven silvers for their Ping products such as drivers, irons, and putters as well as rewarded gold for their custom fitting options. The Ping company carries a wide range of golf equipment; the depth of their golf club line includes drivers, fairway woods, hybrids, irons, wedges, putters as well as specially designed clubs for women and juniors. The product mix consists of clubs, carry bags, cart bags, apparel, headwear, gloves, on-the-course gear, travel gear and more (Ping, 2010). A business or consumer should buy from this firm because Ping has made a name for itself over the last 50 years for their innovation, exceptionally great product, commitment to moving forward with technology and customizing their product to better suit the individual user. They are a leader in the North American market and are an unparalleled example for other golf equipment business' to look up to.

Prospect Information

The Firm

Fairview Mountain Golf Course in Oliver, B.C. was established in 1925 by a group of founding members as "a 9 hole sand green golf course" (Fairview Mountain, n.d.). This club provides service to their customers throughout the year in the form of lessons, custom fittings, fitting demos, restaurant facility, proshop facility and access to the 18 hole, highly ranked course. The Golf Shop at Fairview Mountain offers a wide range of name brand golf equipment; Merchandiser of the Year for B.C. in 2003, Fairview's commitment to quality goods is reflected in their choice of brands such as Ping, Titleist, Taylormade, Callaway and Footjoy (Fairview Mountain, n.d.). In terms of sales, Ping has been, and continues to be, one of the top selling brands at this course. (Personal knowledge)

The Decision-Maker

The buying decisions are ultimately made by the General Manager and Director of Golf Operations at Fairview Mountain. He is responsible for overseeing the long-term as well as the daily operations of the golf course. The Golf Shop Manager and Associate Golf Pro also has the authority to order in items for the Golf Shop. His role is to take on the managerial duties specific to the Golf Shop, but still confirm major decisions with the General Manager. As Ping is already an established name brand at Fairview Mountain, The Golf Shop Manager would be the best person to discuss adding a new set of clubs to the already large amount of Ping products they carry(*personal knowledge*).

Currently Fairview Mountain only carries 2 sets of ladies clubs in the shop. By adding the Faith Series by Ping, there will be more options for the increasing number of women joining the sport. Designed specifically for women, these clubs will help improve their golf game over a set of standard men's clubs. By catering to the needs of these potential customers, it will encourage them participate more fully in the sport thus leading them to purchase other golf equipment.

Product Information

Released for the 2011 year, the Faith Line of women's golf clubs by Ping are designed specifically with women in mind. They are designed with extreme forgiveness, mid-high trajectory and a particular objective to improve women's game. The addition of a 5 and 6 hybrid to the irons set is intended for women to utilize the use of hybrids over long irons; the design of these hybrids allow for higher, longer and straighter shots compared to the larger irons. The Faith Line of irons is mostly made of 17-4PH SS which is a high strength stainless steel metal that is corrosion resistant(*17-4PH SS, 2007*). In their commitment to be more environmentally friendly, Ping was recognized by the International Organization of Standards as being ISO-14001 certified. This

achievement means that Ping has met the high criteria set out by the ISO in the area of “[protecting] our environment for future generations” (Ping, 2010). The commitment Ping shows for continually improving their products and practices will ultimately result in success now, and into the future.

Competitor Information

Some of the main competitors of Ping’s in the golf industry are TaylorMade, Titleist, Callaway and Cobra to name a few. Of those mentioned, TaylorMade is Ping’s primary competitor especially in the area of women’s clubs. TaylorMade was originally a subsidiary of the German-based Adidas group, but in 1979 Gary Adams founded TaylorMade. It wasn’t until 2007 that they made changes in their club design to add adjustable weights. In 1997 Adidas formally bought TaylorMade and is still one of the only golf brands to have an annual revenue of \$1 billion (TaylorMade golf history, n.d.).

These companies are similar in that they both have a wide product mix but as far as the product depth, in regards to clubs, for TaylorMade exceeds that of Ping. Price wise, a full set of Ping’s Faith irons cost around \$900 for the 8 club set (average \$112.50/club) whereas a similar set by TaylorMade is around \$1050 for a set of 9 clubs (average \$116.50/club). (Golf Town, n.d.)

Currently a set of Ping’s Faith line of 5H, 6H, 7iron –PW, SW and UW has a suggested retail price of \$900. This is around a 30% rate of markup on cost. The company also offers their services up to five times throughout the golf season to visit golf course carrying their product and performs an afternoon of group and one-on-one club fitting. This gives members and guests a chance to find clubs that perfectly suit them with the help of specially trained representatives. Also, with the introduction of the Ping Faith Line, Ping is offering two complimentary sets to use in your

rental shop with the purchase of at least five sets for resale. Compared to competitors, who only offer one club fitting session a year, Ping see's the increasing golfing population as an opportunity to gain the support of customers as they are entering the sport. The company also assigns only one representative to a course so they can create a personal relationship for any problem solving or for future orders.

Ping's success and drive to improve and surpass all other brands with their innovative ideas gives this company a competitive advantage in this industry. If Ping successfully reaches their target market, sales of their exceptionally made and suitably fitted clubs will significantly increase over the competitors. The purchase of these clubs for resale would be a positive choice for any golf related establishment.

References

17-4PH SS. (2007). Retrieved from <http://www.specialtysteelsupply.com/17-4ph-stainless-steel.php>

A brief history of golf. (2008, May 29). Retrieved from <http://www.tourcanada.com/golfhist.htm>

Canada: the golf market. (2010,May). Retrieved from www.buyusa.gov/canada/en/golfmarketincanada.pdf

Fairview Mountain Golf Course. (n.d.). Retrieved from <http://www.fairviewmountain.com>

Golf Town. (n.d.). Retrieved from <http://www.golftown.com/Default.aspx?lang=en>

Ping. (2010). Retrieved from <http://www.ping.com>

TaylorMade golf history. (n.d.) Retrieved from http://www.golflink.com/about_5029_taylormade-golf-history.html

The history of Ping golf clubs. (n.d.). Retrieved from http://www.golflink.com/about_1975_history-ping-golf-clubs.html

Picture on front page:

Have faith! New clubs for women. (2010, July 30). Retrieved from <http://www.golfmagic.com/equipment-news/have-faith-new-clubs-for-women/7309.html>