

THE HISTORY OF MACGREGOR

1829 to 1979

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MACGREGOR'S ORIGIN AND EARLY HISTORY -- 1829-1896

Archibald and Ziba Crawford had a dream like so many other young men who had immigrated from their native England in the early 1800's. Their dream was to go west to the Northwest Territory where opportunity seemed limitless. Leaving upper New York State, where they had initially, but temporarily settled, they headed west, first by wagon and then by boat, eventually reaching the Ohio River where they continued their trek west. They stopped to visit friends who had settled in Pittsburgh, Marietta and Portsmouth, but each time decided to head further west where settlers sent back reports of greater opportunity. They stopped briefly also at Cincinnati and there learned about an even newer settlement 50 miles north, which was called Dayton, named after a general, Jonathan Dayton, who had led some of the original settlers into that area and then stayed to successfully fight off the Indians. The Crawfords fell in love at first sight with the rolling and beautiful land that had been settled on the banks of the Miami and Mad Rivers and decided that this is where they wanted to settle too.

While there is no written record of the Crawford's early years in Dayton, their decendents tell us that they had both been skilled wood craftsmen in England and had been able to support themselves as carpenters after immigrating to America. There was a demand for their skills in Dayton too, but Archibald soon learned of a new opportunity that could make their talents even in greater demand, the hand making of shoe lasts. The history of the shoe industry indicates that most of the original makers of shoes were located in New England; in fact, were heavily concentrated in the Brockton, Mass. area. However, there was also new shoe, or more correctly boot companies starting in St. Louis and Cincinnati, who were forced to buy their lasts from companies in New England. Learning this, Archibald Crawford in 1829 founded

the Dayton Shoe Last Company. He quickly attracted a market too large for his brother and he alone to satisfy, so four additional wood craftsmen were added to their staff, which increased their capacity to 40 pairs a day. This new company's reputation spread and soon the demand again exceeded its ability to produce this then completely hand-made product. He again showed his unique initiative by developing the first machine or lathe to turn shoe lasts. Records fail to indicate whether he was able to protect this "invention", but the same basic lathes were still being used to turn golf club heads up until World War II, over 100 years later.

A nephew, C. H. Crawford, succeeded Archibald as head of the company in 1855 and a partner named Stillwell was allowed to buy a minor share of the business in 1871. In 1874, another partner joined the company, John McGregor (note spelling) who it is said eventually got "withdrawal symptoms" for the weather of his native Scotland, sold his interest in the company and returned to St. Andrews. However, before doing so he convinced their newest partner, Edward Canby a wealthy Dayton businessman and sportsman to include Scotland on an annual European holiday, and also to play golf while there. The results were Canby returned to Dayton addicted to the game--and also convinced that it would some day be a major sport and business in this country.

MACGREGOR'S ENTRY INTO GOLF -- 1897-1919

Edward Canby's exposure to golf during his visit to Scotland triggered a lifelong love affair with the game, but it also answered a major business problem that the Dayton Last Company like all seasonal businesses had been unable to solve, namely finding a product line, preferably one that utilized the company's expert woodmaking skills and equipment during the slack months for making shoe lasts. Ironically, prior efforts to diversify had included manufacturing bowling alleys and pins, but it had been aborted because the market was so limited, plus was dominated by a Cincinnati company headed up by a man named Bensinger, whose grandson was responsible in 1959 for Brunswick buying MacGregor.

While the American golf market was small, for after all the first golf course, St. Andrews in Yonkers, New York, was not built until 1888, it was already taking off. The first course in Chicago was built in 1894 and by 1900 there were 25 courses in the Chicago area. Studies made by Joe Graffis for Golfdom Magazine approximated that by 1900 there were 952 courses in the U.S., all of which had been built since 1888. This convinced Canby that golf was on its way to becoming a big sport and an equally big business.

In 1897, the Crawford, McGregor & Canby Company of Dayton, Ohio made its first golf club. This was about a year after Spalding had made the first golf club in this country. In order to be able to manufacture irons as well as woods, a forge shop was added to MacGregor's existing facilities.

However, the Crawford, McGregor & Canby Company's principal product continued to be shoe lasts for several more years. Their plant and offices were located on the near west side of Dayton in an area called Westmont and were on six acres

of land. Their total employment had reached approximately 50 people. They also owned a lumber mill in Gaylord, Michigan, where during the peak of the logging season, they employed between 150 and 200 people.

By 1910, Crawford, McGregor & Canby claimed to be the biggest maker of shoe last in the world, but also were becoming internationally known in golf too; in fact, their outstanding persimmon wood heads and hickory shafts were in demand everywhere golf was played, but especially in England and Scotland, to whom they were already exporting over 100,000 units annually.

Golf courses were being built throughout America too, as golf became the "in" sport of the country's most affluent. However, in order to build these new courses, it was first necessary to find someone who knew something about the game, thus creating a tremendous demand for professionals, who migrated almost by the boatload from Scotland ^{and} ~~the~~ then were followed by lesser a number from England and Ireland. The professionals' first responsibility, of course, was to build the golf course, after which he was in charge of its maintenance as well. His duties as professional mainly centered around teaching the members of his newly-opened club and furnishing their equipment, which he and his staff hand-made in the back room of his shop with persimmon heads and hickory shafts that he had purchased from either MacGregor or Spalding. This is the reason that many of the most valuable antique clubs that were made in the early 1900's bear the name of both MacGregor and the club professional. Initially, McGregor also competed with two old and famous Scotch companies for the head and shaft business, David Forgan and George Nichols, but soon their outstanding workmanship with wood made them #1 in the world.

Early catalogs indicate that about in 1913 MacGregor began also to make quite a few complete golf clubs and in more than one price

range. Their most popular models were called Westmont and Go-Sum, which were sold to both retail stores and professionals.

While World War I had an adverse effect on golf and MacGregor's business, during which the number of golf courses shrunk to 742, and which incidentally was to reoccur again during World War II. Fortunately, the shoe last end of the business thrived during these years, thanks to U.S. governments' needs, so MacGregor entered the 1920's healthy and looking for bigger markets.

MACGREGOR IN THE ROARING TWENTIES

Americans greeted the Twenties with a zest never again equaled and were especially drawn to sports and the "super" stars they produced. The decade was appropriately called "The Roaring Twenties", during which the public's interest in sports reached an unbelievable height. Star athletes were canonized and names like Jack Dempsey, Earl Sande, Bobby Jones and Bill Tilden became household words. However, Americans also decided it was time to participate themselves and thousands flocked to take up golf. By 1927, there were 4,800 golf courses in the U.S., which the game's scorekeepers, the National Golf Foundation, estimate were over 80% private country clubs. By 1929, this figure grew to 5,856, of which 78% were private country clubs and 90% of the golfers were male.

Of course, this explosion created an almost unquenchable demand for golf equipment, (as well as special clothing such as knickerbockers, argyle hose, wool caps, etc.) which both MacGregor and Spalding expanded to meet. However, it also attracted a great many new manufacturers such as the Wilson-Western Company of Chicago, which was a part of the meat packing giant and was headed-up by two former Spalding executives. In fact, Wilson's manufacturing head defected from MacGregor and brought several of their most skilled clubmakers with him. It was during this period that the golf equipment end of MacGregor's business exceeded the shoe last business for the first time; in fact, MacGregor's sales and profits from shoe lasts had already begun a steady decline that ended when they sold the remaining equipment to Vulcan Company of Portsmouth, Ohio. The Dayton plant was further expanded to 3 full floors, of which 2/3 of the space was now devoted to manufacturing golf clubs.

It was also at this time the retail market for golf equipment really matured, for not only did clubs and balls become a basic

for every sporting goods store, but a major dollar sale for department stores and men's clothing stores, such as the May Company chain and Henry C. Lytton, a chain of Chicago men's stores better known as the Hub. There even were large retailers that specialized in selling golf equipment, such as the Davega chain in New York City, who in many ways were not too dissimilar to the present day "discounters".

While MacGregor and Spalding were by far the leading brand names, new companies sprung up overnight such as L.A. Young (Walter Hegen), Beckley-Ralston, Wright Ditson, Vulcan (which was started by a group of 12 MacGregor defectors), Pedersen, Kroydon, Butchart-Nichols, Burhke, Burke (now Victor), Reach, Springfield, Bristol, Goldsmith, Dubow, Allied, Great Lakes, Bridgeport, Hillerich & Bradsby (better known for their Louisville Slugger bats), Draper Maynard, etc,----- and all were successful, at least until 1930.

By 1927, the retail golf market exceeded the pro shop for the first time and MacGregor was forced to make a decision that was later to haunt them. They decided to place their major emphasis on the retail market, not only because it was growing faster, but was for mass produce golf clubs, from which MacGregor made a greater profit than heads and shafts. Their decision was undoubtedly influenced also by the fact that the first steel shaft had been introduced and was immediately accepted by the retailer, who merchandised it aggressively, but the golf pro, who still was the Scotch clubmaker, resisted it because he feared that it would eliminate his demand for hand-made clubs and from which he still generated a major part of his income. In fact, the pro literally was forced to stock steel-shafted clubs by his members, who demanded the same clubs and brands that were being used by the game's leading players like Walter Hagen. Ironically, MacGregor, who was the biggest supplier of hickory shafts, was the first company to introduce a finished club with a steel shaft, which was made for them by Bristol in 1927, but it was sold essentially

to their retail trade. In a way, MacGregor actually shared the golf professionals' resistance to steel shafts and almost paid dearly for it, as they had a 3 year supply of hickory on hand when the market moved completely to steel. They were lucky though, as the following year, a tornado tore the roofs off the drying sheds and destroyed most of the hickory shafts on hand.

The Twenties were glorious years for golf and MacGregor, years in which they made record profits and truly became an internationally respected company. During these years, they began national advertising and regularly ran full page ads in the Saturday Evening Post, then America's most popular magazine -- ads that featured their two most popular models, the Chieftan and the Bap. The Bap was designed by one of their veteran clubmakers, Will Sime, a native of Scotland, who thought the wood head resembled a biscuit his mother used to make and was called a bap. The Chieftan, also designed by Sime, had inlaid ivory inserts and was the most expensive club on the market--it retailed for \$25.00 per wood.

Edward Canby, whose decision it was to go into golf, was not only now the company's controlling stockholder, but actively its head, too, although, he was now in his early 70's. He had made his entire wealth as head of the Dayton Coffee Company but had also wisely invested heavily in the infancy of another Dayton company, National Cash Register--so by the Twenties, he was a millionaire many times over. He was a small man, probably only about 5'4" and he never weighed more than 115 to 120 pounds, but had unlimited energy and enthusiasm, especially about golf and the golf business. He was very civic minded also and personally donated the money and land for the building of the Dayton Art Museum and First Baptist Church. He also had become a complete golf aficionado--and a fair player as well, so it was logical that he decided that the employees literally physically carved a 9 hole course out of the

the group, and which was the first company owned golf course in the country. MacGregor soon began to advertise that their clubs were "course tested", of course.

Following Spalding's example, MacGregor opened its own retail stores in the mid-twenties in New York City, Chicago, Boston and Los Angeles, in which they sold directly to the consumer, by-passing both their retail and golf pro accounts, which was not accepted with too much enthusiasm by either and was just another reminder to the golf professional that MacGregor was no longer in his corner.

In fact, there seemed to be no end to golf's growth, or for the demand for golf equipment, so it appears MacGregor grew almost in spite of themselves. However, they became less and less interested in the golf professional's business. In fact, they no longer were tolerant of the fact that he was a poor businessman, who frequently was "slow pay" because of being under-capitalized, but also was too demanding about service and critical about quality and a lot of other things that apparently were not as important to the retailer. In fact, MacGregor had a formal dinner to celebrate the companies' centennial on November 12, 1929, to which they invited the top people in Dayton and from the national golf scene, but did not include one club professional. Obviously, they did not feel that what had happened in October '29 would have any effect on golf or their future profits.

THE DEPRESSION YEARS AND MACGREGOR'S SALE TO GOLDSMITH

While most businesses felt an almost immediate impact from the Depression, golf was spared, temporarily, as apparently people did not believe that economic conditions could remain that bad for long, so even when laid-off, were not initially overly-alarmed; in fact, if anything they had more time for recreation and if golfers, to play golf, than when they were working full-time. Consequently, MacGregor did not really feel the full effect of the Depression until 1932 when the bottom literally fell out of their business. They were forced to cut their work force in half immediately and those remaining were lucky to work 2 or 3 days a week.

The retail market was the first to go, as were the big specialists who were so like the "discounters" of today. The next to go were predictably the big clothing stores, who recognized that golf was now a luxury and also that they better stick to a business they knew. The golf professionals were really the last to feel it, probably because most of their members were well-to-do and even if they had lost everything in the stock market crash continued to hold on to their country club memberships if only to save face. However, the professional, while not a sophisticated businessman or person, had not forgotten MacGregor's indifference to them in the Twenties. Also, Spalding had moved out far in front of everyone else with the signing of the immortal Bobby Jones, whose clubs immediately became the industry's top seller. In fact, Spalding also dominated the golf ball market with their famous Kro-Flight and Dot golf balls. By 1934, MacGregor was facing bankruptcy, so Edward Canby, now in his eighties, decided as a last resort to bring in one of the leading management consultant firms, Robert Heller of Cleveland, to guide them in reorganization. Heller immediately recognized that golf was a different kind of a business than his company had ever been exposed to and realized

that he needed someone knowledgeable about the golf business as a part of his team. He turned to Herb Graffis, then the publisher of Golf~~ton~~ and Golfing magazines and one of the most respected men in golf and Graffis recommended Clarence Rickey, then the V.P. of sales of R. H. Burkhe Company of Chicago, a golf club and bag manufacturer, but better known as the leading makers of safety belts. Rickey, who was a cousin of baseball's Branch Rickey, had just like his father before him, initially worked for Branch and the St. Louis Cardinals, but had begun selling sporting goods during baseball's off-season and eventually added the Great Lakes Company golf line as a rep. He soon became one of the top salesmen in the golf industry and attracted the attention of the R.H. Burkhe Company, who hired him to get them into the golf club business. His first year with them, he personally sold both Sears and Montgomery Wards every golf club they bought, as well as making all of Goldsmith and Draper & Maynard's clubs on a private brand basis. However, being a new company with little or no brand identity, Burkhe felt the effects of the Depression almost immediately and was convinced that golf had little or no future for them as a business.

Consequently, Rickey welcomed Heller's offer and moved immediately to Dayton with the understanding that it would be a one year project, after which he would stay with Heller in a different capacity. However, before the year was completely over, something happened that changed everything -- Edward Canby passed away. His only son, Harry B. Canby, never had shown an interest in business, so immediately decided that he should sell all the families holdings, including MacGregor. Two companies made bids, Wilson and Goldsmith. Wilson wanted MacGregor to operate it as a separate golf division, while Goldsmith, who was one of the "Big 4" of the athletic goods industry, had found that they could not successfully merchandise golf equipment under their own brand name. In 1936, Harry Canby decided to take the Goldsmith offer, which included the proviso

that Charence Rickey would remain as its president, and which Bob Heller released him to do.

The first thing Rickey did was to activate the plan that he had created as the head of the Heller study for reorganization. This plan identified MacGregor's major weaknesses as being:

1. Had lost money for six consecutive years (but which was not unique at that time).
2. Had lost the confidence of the club professional.
3. Had lost its reputation as an innovator and the maker of top quality golf clubs.

However, the plan also strongly emphasized MacGregor's strengths, which were:

1. MacGregor was still a respected brand name to the consumer, although no longer in the same class as Spalding, or even Wilson.
2. The work force was exceptionally skilled, probably more so than any other group in the industry.

It is significant also that while with Burkhe in Chicago, Rickey was an officer of the Medinah Country Club and was the person responsible for hiring Tommy Armour as Medinah's club professional. Armour, who already was considered one of the game's all-time great players, also was a most unusual and charming man. However, he also was under contract to Spalding, but the minute it expired, he joined his old friend, Clarence Rickey, at MacGregor. Together they put together a marketing plan (although they undoubtedly did not call it that) that did the following:

1. Created the first complete line of Pro-only golf equipment, the Tommy Armour Silver Scot Tourvey Line.
2. Developed an entire new line of models, which were selected by Armour, but then refined by his young assistant at Medinah, an Italian named Toney Penna.

3. Changed the spelling of McGregor to MacGregor and began leaning on its Scotch origin in their advertising. The name of the company also was changed to be the MacGregor Golf Company.
4. Recruited an entire new sales organization, most of whom were successful club professionals--and excellent players. He immediately put them on straight commission--(with a draw) at a 10% rate.
5. Demanded an entire new philosophy which was created within the company, in which anything involved with a customer was to be highly personalized. Also, Rickey personally respected the club professional and refused to have anyone around him that did not share this respect, which necessitated replacing the entire Credit Department and several other key inside people and salesmen.
6. He became personally involved with every employee and their families through company sponsored activities, at which he rebuilt their pride, both in MacGregor and their skills as clubmakers. He formed a "Player-Craftsman" organization in which workers were rated for their clubmaking and playing skills.
7. Special emphasis was placed on giving good service--and keeping promises. In fact, this was almost a phobia to Rickey, so one of the quickest ways to get fired was to ignore it--or not to show respect for a customer.
8. Deemphasized the effort to sell the retail market. In fact, it was his goal to build the Pro business to being 70-75% of their total sales, or exactly the opposite that it had become in the Twenties under the previous management.
9. Established a promotion program that encouraged club professionals to use MacGregor clubs personally by developing a special Custom Club Department to which the most skilled clubmakers only were assigned. To head up this program, Rickey induced Toney Penna, who had just started a job as a head pro at a Chicago club, to join MacGregor on a full-time basis. Toney, who was a fine player, was

to represent MacGregor on the PGA Tour, on which he was to try to get both the Tour players as well as the home pros in each city along the way to switch to MacGregor clubs. He also was alerted to bring ideas back to the plant in Dayton to be used in the design of future clubs.. and as if he did not have enough to do, Rickey wanted him also to recommend promising young Tour players to sign for their Advisory staff. In 1938, Penna recommended three young, but yet unestablished Tour players, Ben Hogan, Bryon Nelson and Jimmy Demaret, all of whom Rickey signed immediately with hand-shakes and for a total investment of less than \$5,000.

They contracted the Worthington Ball Company of Elyria, Ohio (now Victor) to make a complete line of Pro and Dealer golf balls for them and the Burton Company of Jasper, Alabama to make a line of bags and accessories under the MacGregor label, so once again were able to give their salesmen, who called on both Pros and Dealers, a complete, but a completely different line for each type of trade.

The acceptance to all these innovations was not immediate, but slowly and surely more and more club professionals began ordering custom made Armour clubs for their personal use and being delighted with them, almost automatically recommended them to their members. The new top pro golf ball was named the Tourney and in an effort to promote its sale, MacGregor gave a free Armour Iron Master putter with each 6 dozed Tourney balls.

MacGregor's young Advisory staff began winning and winning consistently. Nelson being the first to break through with his 1939 U.S. Open victory, which he followed-up by winning the PGA Championship in 1940. Jimmy Demaret, who already had become the favorite of the press and the fans because of his warm personality and colorful clothing, won the 1940 Masters, the first of his

three victories at Augusta. Ironically, while winning money consistently, Ben Hogan was the last of the three to become a major championship winner, he began to show determination and talent, which were to later make him one of the game's immortals. Only Sam Snead came close to equaling MacGregor's Big 3's performance and he was with Wilson, but had also signed a contract with MacGregor. When these companies discovered that the "hill billy" from West Virginia had signed contracts with both, MacGregor tore up their contract, which was dated three days later than Wilson's.

The word was out that MacGregor was back and more and more club professionals ordered Armour clubs for their personal use--and Armour clubs for their sales, as the Thirties came to a close.

It was at this time that MacGregor introduced the first complete line of soft goods to the pro shops. When Goldsmith bought MacGregor, Rickey had insisted that they send one of their young executives to Dayton to be his vice president. They chose Henry Cowen, whose mother was the only sister of the five Goldsmith boys who had built the company to its present stature. Cowen, who was then in his early 30's, proved to be an excellent choice, for even though he had not had any previous exposure to golf, he was a good executive; in fact, he was an extremely hard worker and well organized, which complimented Rickey and some of the other key executive's talents. Cowen, who was a Cornell graduate, was also known for his excellent taste in clothing and it was he that foresaw the potential of sportswear in the pro shops. The first line of soft goods that MacGregor offered the golf pros was made for them by McGregor-Donniger, who was then the biggest company in the infant sportswear field. However, as could have been anticipated, the older pros, especially the old Scotchmen, resisted selling "rags" as they called soft goods, just as they had initially resisted the first steel shafts, but the younger, or second generation pros, most of whom had worked the way up from the caddy

ranks, immediately saw its potential and began selling it with enthusiasm; in fact, so much so that McGregor-Donnegar could not fill the orders, as they were not understandably going to neglect their own customers, the retailers. This eventually forced Cowen to seek a different source and he began subcontracting a complete line of shirts, slacks, hats, socks., that bore the MacGregor Golf label, this so strained their relations with McGregor that they sued MacGregor, who then immediately filed a counter suit. An out-of-court agreement was eventually reached in which MacGregor Golf agreed not to use the name on sportswear and McGregor agreed not to use golf as an identity of their product, or to sell directly to golf pros. Is it any wonder that the consumer for many years assumed that MacGregor and McGregor were one and the same company, a fact that probably did not hurt either. MacGregor changed their soft goods line to be called the Craig Wood Tourney line after staff member, Craig Wood, who was the Tour's only college graduate and regularly named to the "Best Dressed" list. Wood was also a fine player and won both the Masters and the US Open in 1941, which because of the ensuing war made him the duration champion of both major championships.

However, with MacGregor's return to respectability and overtime, its factory employees joined a union--and of all unions, the CIO's Electrical Workers, who at that time were considered the most radical of all unions; in fact, several of its Dayton officers, including MacGregor's head steward, were later sent to prison for being communist. Rickey took this as a personal defeat and at the peak of his frustration sold the company golf course to the Dayton Power and Light Company, who still maintain it as a recreation center for their employees.

There was no question that MacGregor had momentum; in fact, they were moving so fast that they had Spalding and Wilson looking over their shoulders to see what they would do next. However,

all of this changed on December 9, 1941 following the Japanese attack on Pearl Harbor. Not only for MacGregor, but every individual involved with the company.

WORLD WAR II

It did not take long after Pearl Harbor for MacGregor to feel the impact of World War II. In fact, on March 1, 1942, the government declared golf equipment a "non-essential" product and issued an edict that all work-in-process must be completed by June 30, after which they were to convert to making products needed in the war effort. It also forbid them to buy any more materials such as shafts, leather grips, plastic adapters, etc. to use on golf clubs for civilian use. Of course, it also stopped the making of golf bags and golf balls on the same date.

After several trips to Washington and also to Kansas City, where all military purchase of sporting goods had been centralized, it became apparent that golf was not going to be a part of the military's recreation programs, even though it was buying athletic equipment in record amounts, including one order for 1,000 left-hand catcher's mitts, which undoubtedly are still stored in some warehouse.

An all-out effort was made to complete as many clubs as possible prior to June 30th, which necessitated working 10 hour days and Saturday and Sundays, but Rickey was desperately seeking products that they could make after the club "freeze". He had made many friends through golf at nearby Wright-Patterson Field, which was the purchasing headquarters for the Air Corp at the time, and they suggested that MacGregor be converted to a heavy sewing plant to make parachute packs, safety belts, B4 bags, which was an adaption of the popular Valapak made in olive drab, of course, and issued to all Air Force personnel. Consequently, other than foremen, most of MacGregor's people were forced to go to other Dayton companies, such as the National Cash Register Company or one of General Motor's 11 plants there.

MacGregor and Rickey took their wartime responsibility seriously and soon became a major supplier to the Air Corp--and were later given an "E" Award for their outstanding performance. While many of their salesmen were in the service, about 12 remained on the MacGregor payroll and were able to sustain themselves throughout the war years by selling the now popular Craig Wood sportwear line, which was reasonably unaffected by the war or material shortages. MacGregor also like most golf ball companies accepted used balls back for recovering, which was then done for them by Worthington and while the results left a great deal to be desired, it did allow golfers to play throughout the war years. Tour players in turn were paying \$75-100 for pre-war golf balls.

MacGregor was also busy planning for their post-war markets and they made several major decisions that were as follows:

1. To relocate MacGregor in Cincinnati following the war, where their parent company, Goldsmith, was located. A building was purchased at 4861 Spring Grove Avenue, which would be their headquarters, both for administration and manufacturing. While far from a modern building, it was youthful compared to the Dayton facility. It had 4 floors with 131,000 square feet, which was approximately twice as large as Dayton had been, so gave alot of room for growth (at least MacGregor thought so at the time).
2. MacGregor would make its own golf ball after the war, so it hired the plant superintendent from Goodyear's Latrobe, Pa. plant where Spalding's ball had been made for many years, to begin planning what would be needed. Hugo Goldsmith, the president of the parent firm, and who was a mechanical genius, soon had designed a golf ball winding machine using the same principals as the base-ball machines he had designed and patented many years earlier.

3. To expand its position in the tennis equipment market, which prior to the war MacGregor marketed a line of rackets made on a private label basis for them by the Robert C. Lee Company of New York City. In 1944, they purchases the Hall Manufacturing Company of Boston, a small, but very highly respected maker of high quality tennis and badminton rackets, and which featured many unique construction ideas, all patented by its owner, Horace Hall. It was thought that having this pre-established quality line would provide immediate entry into the tennis pro market, which while small, was very profitable. Also, most tennis facilities were then located at country clubs where MacGregor's sales force was already calling on golf professionals.

4. To change golf bag suppliers from Burton Manufacturing to Des Moines Glove Company, who was better known by its brandname, Tufhorse. It is ironic that this change was made because Burton, a small, but quality company located in Jasper, Alabama, was too conservative and was not receptive to making anything but large all-leather bags. As things turned out, Des Moines Glove proved to be even more conservative (and also under-financed) and Burton, upon having a second generation take over, became an innovator.

While most of MacGregor's Tour staff was in the service, Hogan was an Air Force pilot and Demaret was in the Navy, Byron Nelson and Harold "Jug" McSpaden, both of whom were 4F, so completely dominated the war time PGA Tour that they were called the "Gold-dust Twins". In 1945, Nelson won 19 PGA Tour events, 12 of them consecutively, a record that probably will never be broken. During this unbelievable stretch, he averaged 68.33 per round for 120 rounds and finished in the money in 109 consecutive tournaments--all, of course, while using Tommy Armour Tourney clubs.

In late 1944, the Surgeon General's office appealed to all golf equipment manufacturers to make up 10,000 sets of golf clubs to use in their physical therapy program for disabled service men

who were being brought home by the thousands. Of course, none of these companies had made a single club since 1942 and like MacGregor had converted to making totally unrelated, but war-oriented products. However, with Clarence Rickey leading, MacGregor committed to making 5,000 of the sets, he then literally shamed Spalding and H. & B. to making the remaining 5,000. To accomplish this, one of the three floors of MacGregor's Dayton plant was set up as a mini-golf plant and their pre-war club-makers, all of whom were not working full-time for other Dayton companies, came in before and after their regular jobs and on weekends to make up these clubs.

As the war was winding down in Europe, MacGregor began preparing their newly acquired building in Cincinnati for occupancy and moved the Hall Tennis machinery from Boston into it, as well as the winding machines that Hugo Goldsmith had designed and then built in their own machine shop into the new facility. On May 19, 1945, Clarence Rickey was killed in an automobile accident and Henry Cowen was elevated to the presidency. Cowen immediately hired William J. McNulty, a former golf pro and later the soft goods buyer at Marshall Fields, for his former job of overseeing the then booming sportswear end of the business. With the end of the war in Japan, everything was "go" and MacGregor's post-war plan was put into high gear immediately.

MACGREGOR'S POST-WAR EXPLOSION -- 1945-1958

MacGregor formally began operating at their new Cincinnati location on April 1, 1946 and with only a handful of experienced people from their pre-war Dayton operation. Beside Cowen, there were only four other experienced persons in management and twelve in manufacturing, six of whom were supervisors that commuted to and from Dayton every day for the next 10 to 12 years.

The majority of the new work force had just been discharged from the service, many still wore their uniforms to work. None had even seen a golf club made previously, although most had played golf and had once caddied. In fact, many were recommended by the local golf pros, so came to the company with a love and knowledge of the game, which in turn made it easier to train them as clubmakers, of course.

However, in spite of this fact, the clubs made by MacGregor the first two years in Cincinnati were sub-par, but fortunately, every other golf company was having a similar problem, plus, the demand for new equipment was so great that neither the pro or the consumer was too critical of quality, a fact that helped MacGregor more than any other company.

In the immediate post-war years of 1947-49, the Tommy Armour model continued to be the top selling club on the pro market. A Byron Nelson Tourney model was added in 1948 and while it was an exact duplicate of the Armour, it never was accepted, although his name sold well on medium and low price clubs. Louise Suggs, the US Amateur champion, turned professional and joined MacGregor in 1949 and a line of Suggs ladies' clubs in all three price ranges was added to the line. Ben Hogan and Jimmy Demaret's names were featured on the Dealer line, but which MacGregor continued to treat with a secondary interest.

The new bag supplier, Tufhorse, had already proven to be difficult to work with, but they did make a superior individual compartment bag, called a "pax", that enjoyed tremendous popularity for a couple of years, but which made it more difficult than before to convince them that the market demanded all types of bags; round, oval, etc. and not just their "beloved" pax.

MacGregor in 1948 greatly expanded their Craig Wood line of soft goods in an effort to become a factor in the retail market as well as the pro shop, where they had developed a very strong position. This, of course, proved to be one of the company's worst mistakes, for not only were they not expert enough to compete headon with the soft good specialists, who had not yet discovered the pro market, but who understood the retail market. MacGregor soon found themselves with a larger investment in their sportswear inventory than all golf products. In 1949, a decision was made to get out of soft goods and the inventory was liquidated at a severe loss, which undoubtedly was a major reason that MacGregor resisted ever getting back into soft goods, even after most of their competitors were making money from it.

Henry Cowen continued as president, but it soon became apparent that he was spread too thin and also lacked a background in either manufacturing or finance. As a result, a vice president of the Athletic Division (which was now called MacGregor-Goldsmith incidentally), A. G. "Tony" Koegel, was transferred to MacGregor as General Manager. He complimented Cowen, who was outstanding in all facets of marketing, and soon brought order back into the company's operation. The timing was perfect, infact; as MacGregor was on the threshold of literally exploding into being the #1 company in pro golf clubs.

It is appropriate at this point to take a minute to refer again to the Goldsmith family, for while only one of the five brothers, Hugo, still was active--and was he ever active, even though he was

well into his seventies and had served as chief executive officer for almost 50 years. Hugo was a "genius" of sorts, especially in the mechanical and manufacturing fields, but he was interested in everything involving the company. In fact, it was not unusual for him to call younger executives at 6:00 a.m. in the morning and ask them to hurry to the office because he wanted to share an idea he had for an ad, or something he had thought up during the night. He was completely unorthodox, at least by modern standards, but like Edward Canby before him was a "giant" in MacGregor's history. Hugo died in 1952, a year after he finally retired, but thankfully, he lived long enough to see his dream of MacGregor becoming the leading company in golf a reality.

MacGregor continued to dominate the Tour, even though Nelson had semi-retired from competition in 1946. In fact, from 1947 through 1960, impartial club and ball counts taken at major tournaments (Masters, US Open and the PGA Championship) consistently showed more contestants used MacGregor woods and irons than all other competitors combined.

All of these things contributed to the overnight success of the MT line of woods and irons introduced in 1950. In fact, even though the golf market has now returned to its pre-war normalcy with MacGregor, Wilson and Spalding dominating the pro market, it was beginning to get very competitive--that is until the fall of 1949 when the MT was taken on the road and overnight became the "hottest" selling pro club since the Bobby Jones model was introduced by Spalding in 1930. In fact, it is a paradox that Spalding helped to contribute to the MT's success by changing the Jones line from Pro-only to retail following World War II and completely antagonized the pros in doing so, which also enabled Acushnet to move by them in the golf ball market at the same time. In fact, while Spalding continues to be a leader, it is significant to note, they have never regained their #1 position in Pro Shop club and ball sales since "betraying" the pros in 1946 with the Bobby Jones policy.

The introduction of the MT also the beginning of the end for the Tommy Armour model as a sales leader, even though all of its Playing Staff continued to use the Armour model, except Lionel Herbert, after trying the MT and finding that they preferred the Armour. This was a revelation to MacGregor, for it was the first time that a top selling pro club was not the same model that the top players used--and it also was a forewarning of what was to follow many years later when the consumer demanded the aluminum shaft and later Ping and Lynx clubs, even though the club pro initially disapproved of them.

While it took a team effort over a great many years to make a success as great as MacGregor enjoyed with the MT, only one person deserves the major credit for its success, Toney Penna. While Penna's contributions as a designer will be covered in depth in a later chapter, the fact that he was probably the most creative person in the history of the golf club industry was only part of the reason. Penna also was a strong personality that refused to accept that something could not be done. He constantly put his reputation on the line--and also his job as well to get what he felt the market demanded. From 1946 until the late Sixties, he resigned (or was fired) at least a dozen times, but after a few days of self imposed seclusion, during which he would go through a period of remorse and sulking, he always returned with new ideas and renewed enthusiasm. Equally deserving of credit was a fellow named Bob Lysaght, whose job was to implement Toney's ideas and to make certain that they could be produced profitably. However, Lysaght was a soft spoken and extremely modest man, who happily served in this role, never demanding credit for his contributions. In fact, many believe that his greatest gift was to convince Penna that everything done was Toney's idea.

The overwhelming demand for the MT forced MacGregor to allocate these clubs to both their sales force and the golf pros for the first two years. It also forced them to make some other decisions

that probably had great effect on its future. For example, their venture into tennis had not brought the return that they had hoped for and because it required 1/2 of the fourth floor to make rackets, it was decided to discontinue making rackets and to utilize this space to make golf clubs, more MT's, of course. They then went to Spalding, who made not only their own rackets, but also all of the rackets for the #1 name in tennis, a company called Wilson.

It also learned that its sales force, a majority of whom had been golf professionals, was doing a poor job in calling on tennis pros and also the retail market, so both lines were turned over to the Athletic Goods salesmen for distribution. MacGregor also was amazed to learn that the tennis pros were even worse businessmen and credit risks than the much maligned golf pros, a fact that many companies were later to discover--and many too late during the tennis boom of the Seventies.

It is important that we take a moment to review what had happened to the Athletic end of MacGregor's business because of its effect on golf. The original company, P. Goldsmith and Sons, had built a reputation of being an outstanding maker of athletic equipment, especially items made of leather, i.e., football helmets and pads, baseball gloves, athletic shoes, etc. They also were the No. 1 maker of athletic clothing and their ads claimed that they were the "Tailors for the Major Leagues"--and they did once make the uniforms for 12 of the then 16 major league teams. With famous coaches like Frank Leahy and Bear Bryant on their staff, they were #1 in college football. In fact, the Goldsmith brand name was so respected that their dealers and the coaches protested when they dropped it in the late 40's and branded everything simply as MacGregor. However, their leadership was strictly with the team-oriented dealers and as a result, MacGregor's share of the retail golf market, while always a secondary part of their business, slipped even further when the Athletic Division's salesmen were

given the golf and tennis lines to carry in addition to their already overwhelming athletic lines, which included several thousand different items, at least 50% of which were "jobbed" items like tackling dummies, referee's whistles, shoe laces, etc. In addition, in the early 50's they began setting up exclusive franchised dealers, who in most cases naturally were their big athletic accounts in most markets, thus eliminating some of the better retail golf accounts. However, MacGregor's management was insensitive to this development, probably because they were enjoying record sales and profits, thanks to the success of the MT clubs. In fact, the ratio of pro club sales grew to be 80% pro during this period and from which MacGregor never failed to enjoy less than +50% gross margins. In fact, their entire interest at that time was how to make more MT's and everything else was secondary.

Penna followed up his MT success with a series of innovations, which were timed to be introduced every second year. For example, in 1952, he introduced the Eye-O-Matic woods, which in essence were the first tri-colored face inserts that were also over-sized and were advertised that they increased the hitting surface, which they obviously did. However, they also required that MacGregor's magnificent head models be modified to accommodate the larger inserts, which in the opinion of many was the beginning of MacGregor losing its superiority as wood makers. You never would have suspected this though at the time, as the Eye-O-Matic woods like the MT irons before them captured the markets. In 1953, Penna brought out Colorkrom irons, which had a copper faced hitting surface and were striking looking and completely different. Like all MacGregor "firsts", the Colorkrom irons will be covered in detail in a later chapter. When the demand for Colorkrom began to taper off, MacGregor introduced the Prop-Pel shaft in 1958 and followed that up with Flame Ceramic irons, all of which perpetuated Mac Gregor's image as the "innovators of golf"..... and also, initiated a trend that is still being followed by their competitors today.

In fact, Penna even influenced MacGregor's golf bag line, for while their Tufhorse line was respected as being well-made products, they were unable to match either Burton or Hotze sales in the Pro shop, or Atlantic Products and Wilson's in the retail market. However, that was before Toney made one of his infrequent visits to the Athletic plant, which while it is hard to believe, was even older and more antiquated than the golf plant and was filled with Rube Goldberg type of machines that Hugo Goldsmith had "invented". By coincidence, they were making football uniforms at the time of Toney's visit and were using nylon and jockey silks in extremely bright colors to fill orders for some of the leading colleges in the country. The minute Toney saw these colors, he asked that three staff bags be made up, one in royal blue for himself, one in a pastel green for Louise Suggs, and, of course, one in the loudest red available for Jimmy Demaret, which in turn caused a sensation when they introduced them at Tour tournaments. While these materials quickly proved to be impractical for use in golf bags, Toney's use of color in golf bags revolutionized the golf bag industry. It was a further coincidence that on that same plant visit, Penna went through the Athletic shoe department and upon learning that kangaroo was the lightest and toughest leather known for shoes, asked why it could not be also used to make golf bags, in which the same qualities were desirable. However, because kangaroos are smaller than cattle and also are indigenous to rugged areas, their skin was usually scuffed, which simply did not lend itself to using for golf bags, at least the way they were conventionally styled at the time. However, Toney had planted a seed in the bag designer's mind, which Toney followed-up by asking him about every time he was in Cincinnati, so it soon had his top priority and attention. The result was Sweep Flare styling, which was completely different than any bag had been designed--but also allowed MacGregor to become No. 1 in pro golf bags and later to use kangaroo leather in their top priced pro bags. In fact,

MacGregor became the biggest user of Kangaroo leather between their athletic shoes and golf bags in the world.

In fact, everything went well for MacGregor in the 50's, except the golf ball. They had changed the name from Tourney to MT trying to benefit from the impetus of the club line, but that did not seem to help. However, the final blow occurred in 1953 when Ben Hogan resigned rather than agree to use the Tourney (it was renamed again) in competition. Hogan, who was at the time the best player in the world, had been allowed to use competitor's balls until MacGregor felt that their ball was equal to competitors. Prior to the US Open at Pittsburgh in June of 1953, Hogan had been asked to spend a couple of days in Cincinnati to witness a series of tests that MacGregor hoped would convince him that the Tourney was as good as other top balls, but especially the Spalding Dot, which Ben was using. Ben co-operated and spent three days watching every known test, all in which the Tourney proved to be equal if not superior to competition's balls. One entire day was spent showing Ben that the Tourney was equal or better on a mechanical driving machine that MacGregor had installed at one of the local country clubs. The final session was conducted by Toney Koegel, in which he reviewed all the tests that Ben had seen. Up to this time, Ben had uttered nothing more than a grunt the entire three days, that is until Koegel said, "Ben, you have seen conclusive proof that the Tourney is now a good golf ball, one that you can use with confidence when you play in the US Open next week. The driving machine should have proven this to you if nothing else did." Hogan was completely silent for several minutes, but then replied, "I would suggest that you enter the _____ driving machine in the US Open." and left for Pittsburgh where he won the US Open--using a Spalding Dot. He resigned from the company later that year, a fact that was given national coverage, especially by competition. If the club professionals were not suspicious

about the MacGregor golf balls performance, they were convinced that it was inferior when Jimmy Demaret, Doug Ford and Dow Finsterwald all resigned from MacGregor rather than accept the ultimatum to "play the Tourney or else" on the eve of the 1957 Masters, which Ford was to win using a Dunlop Maxfli.

This was the environment that existed when Ted Bensinger, then president of Brunswick Corporation decided that his company's aggressive diversification program should include a golf company.

THE BRUNSWICK YEARS -- 1958-1976

One of Ted Bensinger's first acts after he succeeded his brother, Bobby Bensinger as president, was to ram rod the development of the automatic pin setter, which completely revolutionized the bowling industry, and initiated its greatest growth period and record profits. Bensinger wisely began utilizing these profits to acquire successful companies in other fields, including Aloe (medical), school furniture, three different boat companies, including the then famous Owens Yacht Company and Zebco, a small, but very profitable fishing equipment company. Having been once a very accomplished golfer, Bensinger knew and respected MacGregor and his offer could not have been timed better, as Hugo Goldsmith had passed away and was succeeded by Phil Goldsmith, a nephew with a history of heart trouble--and no sons to follow him in the business. The only other member of the family, Henry Cowen, also a nephew, was only 51, but already an extremely wealthy man--and with no sons either. In fact, Cowen was the only member of the Board, which chiefly consisted of company executives, that was under 60, so Brunswick's offer seemed like a "once-in-a-lifetime" opportunity. They accepted Brunswick's offer unanimously and truly believed that it would be "business as usual", especially after Phil Goldsmith's sudden death when Brunswick moved Toney Koegel and Henry Cowen up to the two top management positions. Of Course, this soon proved not to be quite true and in less than a year, both Koegel and Cowen had "retired".

The then president of Brunswick's very successful School Furniture Division, Al Said, was made president of MacGregor in 1964. He was a charming man and completely agreed with Ted Bensinger's goal that MacGregor could easily be made the biggest company in sports, even bigger than Wilson. Consequently, Said began a plan of action that included the following:

1. Acquired the Red Head Company, then the top maker of hunting clothing, and the Union Hardware Company, whose antiquated plant produced roller skates, golf shafts and hammer handles.

2. Created three separate marketing divisions within MacGregor, Pro Golf (under Bob Rickey), Athletic (under Joe Kelly) and Retail (under Clark Hime, the president of Red Head). In addition to having three separate sales organizations, he also set up three completely autonomous marketing organizations--and in doing so tripled the administrative payroll.

3. Bought two buildings from General Electric's Jet Engine Division in the Cincinnati suburb of Evendale, one which was to be MacGregor's administrative headquarters was four times bigger than their present offices and almost luxurious in comparison. It included an auditorium, which seated over 200 persons, a large cafeteria with separate executive dining rooms and many other luxuries, none of which were needed, or could be afforded. The second building housed the Athletic helmet and pad and baseball gloves manufacturing as well as the central warehouse. Also, in its basement, a mini-golf plant was set-up, in which approximately 100 of the most skilled clubmakers were to make custom clubs exclusively.

4. Closed both the original Athletic and Golf plants. A new golf club plant was opened in Albany, Georgia, which immediately give an increased capacity four times that of the Cincinnati plant. However, because only a handful of the Cincinnati club makers had been asked to transfer to Albany, it also would require recruiting and training an entire new work force. The major reason for not asking more of their trained people to go to Albany was not because the most skilled were now at the Evendale Custom Club plant, but because of trying to escape the unions. In Cincinnati, the golf plant had two unions; the grinders being members of the Metal Polishers and the rest, or approximately 80% of the people, were

members of the Amalgamated Clothing Workers, the same union as the Athletic plant. The Metal Workers had proven to be difficult to work with and in fact, had in the 50's had the only strike in MacGregor's history. Albany's first couple of years were limited to making the dealer and cheaper pro line of clubs, but even they understandably were below accepted market standards.

5. Moved all rubber-oriented products into a new plant in Covington, Georgia. Because most of these products (golf balls, basketballs and footballs) required little hand work, they made much better progress than the Albany golf club plant, except with the golf ball that the Staff used and which they finally had accepted as being equal to any other ball made--even though MacGregor had not been able to convince either the trade or the consumer that its golf ball was equal, even though they were devoting almost 75% of their advertising and promotional budgets to try to get this message across, but in doing so were "robbing Peter to pay Paul", as golf clubs still produced close to 80% of their sales and profits.

6. Said fully accepted Bensinger's goal to challenge Wilson as the leader in the retail market. Of course, in doing so, they had no intent of relinquishing their position in the pro shop, which a market survey that Brunswick had Arthur Little Company make for them, indicated that MacGregor had almost 35% of the top grade golf club market at the time they were acquired by Brunswick.

7. Changed the table of organization to comply with Brunswick's and also the basic job descriptions, both of which were radically opposite to MacGregor's longtime philosophy, and which overall tripled the number of people on the administrative payroll. Changed the salesman's basis of compensation by increasing salaries and benefits, but reducing gross income, which eventually caused MacGregor to lose most of their better young salesmen, nine of which ended up with Acushnet, who still paid on a straight commission basis.

8. Installed a R. & D. Department with 12 people, none of whom had previous experience in golf or athletic fields.

9. Installed a larger and more sophisticated Data Processing system (General Electric), but did not back up with the existing system while converting, which resulted in being unable to bill for over three months and a subsequent estimated loss of \$12 million. In fact, it took four people from Accounting a full year afterwards, during which they did nothing else, just to reconcile accounts.

Needless to say, both MacGregor's employees and customers were completely demoralized after this experience. Said was replaced by a corporate executive, Charles Erb, whose major talk was to get expenses in line with income and to do it within six months, which resulted in a severe austerity program that included reducing personnel by 1/3, getting rid of all items that were "jobbed", even the profitable ones like Converse shoes and finally, putting the salesmen into lease cars with stick shift's, but without radios and air conditioning. Erb's final act was to hand pick his successor, Joe Kelly, a long time MacGregor executive, who was respected throughout the industry and almost beloved by the people of MacGregor. It was a popular choice, but Kelly never really had a chance, for continued problems with the computer allowed inventory levels to get completely out of control, so although his two year reign was a popular one, he was unable to turn the business around.

This provoked an entirely new approach, the combining of MacGregor, Zebco and Brunswick Product Division under Ralph Lafferty, the then leader of the Zebco group in a new concept called Brunswick Sports. Lafferty, who still held two seats on the American Stock Exchange, was a very wealthy man, who had originally bought with his father-in-law a small fishing reel company that held the patent on the first closed face reel. While completely unorthodox in his approach

to business, he had built Zebco into the leading company in the fishing tackle industry. However, while different, at least by Brunswick standards, he was a natural leader, who by his personal charm got everyone totally involved. He also believed in delegation, placing the Brunswick Product group under Gerry O'Keefe, the Zebco under John Charvett, and MacGregor under Bob Rickey. A great deal of progress was made under Lafferty's leadership, such as fully exploiting the affiliation of Jack Nicklaus to making MacGregor a major factor in the retail market, which in turn helped use up some of the surplus capacity at Albany, selling Firestone a Nicklaus golf ball as a traffic builder that was so successful that it was continued for 12 years, a record in longevity for a traffic builder and moved over 15 million golf balls, which also was helpful to alleviating the problem of over-capacity. It appeared that MacGregor, at long last, had turned the corner; in fact, Brunswick was so encouraged that they took MacGregor away from Lafferty and made it a separate division again.

A corporate vice president was made president of MacGregor, Jerry Robbins, who previously had been president of Elgin Watch Company before joining Brunswick a year earlier. Robbins came to the Cincinnati headquarters immediately and spent the week familiarizing himself with the company, its people and products and on his final night hosted the traditional Christmas party for top management and their wives before leaving for a two week vacation in Florida. The day before he was scheduled to return, he notified Brunswick that he had accepted the presidency of Hamilton Watch Company.

However, MacGregor continued to lose position in the pro shop, mainly because Albany's quality still was not equal to competition, plus after spending several years being totally frustrated by both Albany's inability to make what he proposed, but even more so, by

the fact that he was now obligated to work with and through the R. & D. Department, Toney Penna resigned and soon started his own company, thanks to the financial backing of Perry Como, Bing Crosby and Bob Hope.

However, Penna's influence was felt long after he had left MacGregor. Toney was convinced that the casting would never replace the forging and consequently, when Albany was set up, it was strictly a forging-oriented plant, which delayed their being able to switch to castings when they became the rage of the market. An ironic sidelight is that Penna began using investment castings almost immediately after starting his own company, although he still did a great deal of hand grinding on them, so actually had the worst of two worlds.

Brunswick decided to make Gerry O'Keefe president of MacGregor after Robbins had left them in the lurch. It was a good choice too, as O'Keefe prior to joining Brunswick had spent over 20 years with Spalding in various marketing capacities, so knew the sporting goods business well. He also was immediately accepted by the company's people and the GAP Pros, who by this time were suspect of anything or anybody with a Brunswick identity. O'Keefe made a concentrated effort to stabilize the company and to eliminate the things that had robbed both the trade and the consumer of their respect for MacGregor and its products, but he could not overcome the problem of having too many plants with too much capacity, or was he able to recapture MacGregor's one time reputation of being an innovator.

To further complicate things, MacGregor's "comeback" in the Sixties was after the game had exploded, so-to-speak, and even though it was enjoying a record growth, it had also attracted a great many new companies, who now thanks to the casting could go into business without few skilled people and with a minimum

investment. The result was a grossly over-produced market, which forced most of the companies to liquidate their inventories, resulting in greatly reduced profits for everyone. Also, Japan had for several years been able to absorb a great deal of this over-production. While major brand names were preferred, they literally bought anything "made in USA", which enabled even the newest companies to sell them their over-production; in fact, there were even a few that sold solely to the Japanese market. In 1975, the very same year that the American golf market drastically slowed down, the Japanese market did the same, creating a record back-up of inventory throughout the golf industry, which when liquidated ended up at below cost and being sold by discounters. There literally was not a company left, with the possible exception of one or two, that was able to avoid selling the discounter, that is if they wanted to "survive to fight again". In fact, the problem had become so severe that several "pro-only" brands are today for sale at major discounters at prices lower than the club pro can buy the same item.

The result of this situation, plus the effect that inflation has had on everyone, has created the end result that the consumer no longer feels a loyalty to his club professional when buying equipment, especially big ticket items like a set of woods or iron.

This is the environment that Jack Curran found when he became president of MacGregor in 1975 and the one that still exists today. MacGregor has made progress in improving the quality of its products under Curran's leadership and probably for the first time in its history has a golf ball in the Tourney that the consumer now asks for. However, the market continues to be over-produced and only a few companies have been able to make a satisfactory profit in the past few years, namely Lynx and Ping, both of whom have become the innovators MacGregor and the other major companies once were.

Obviously, if these market conditions continue much longer, many of the companies manufacturing golf equipment today--- and there are 54 in the United States making golf clubs at this time, will not survive. The industry's history, and MacGregor's as well, proves that the companies who first recognize that there is a need for change and then creates something, both products and an image that is different and dramatic, will be its future leaders. This is what golf faces as the Eighties rapidly approach. It will be interesting to see the results, but there is one thing for certain that the game of golf will not only survive these troubled years, but rebound to again become a healthy and growing sport. History proves that to be true.

MACGREGOR THE INNOVATORS--FAMOUS PRODUCTS AND FEATURES

One thing becomes dramatically evident as you review the history of MacGregor. They reached their peaks of success, both in the Twenties and again in the Fifties, when they led the industry in innovations. During both of these periods, MacGregor introduced both new clubs and new features that literally revolutionized the industry and were immediately copied in some, but usually were poor imitations. It is equally apparent that whenever their ability to innovate dissipated, as it did both in the late Twenties and again in the Sixties, they lost their position of leadership. While in the Twenties, they stopped being creative because of indifferent management who was satisfied with the status quo, they tried to continue innovating in the Sixties, but between the limitations of new plants and the loss of Toney Penna, they no longer could pull it off. In fact, they got the reputation in the trade of being a "me too" company during this period and unfortunately, they did not even "me too" in most cases until a year or two after a competitor had brought out something that the consumer wanted--not because they were not alert enough, but because their plants simply could not react any more quickly. In fact, it took MacGregor five years to learn how to make a one piece golf ball--five years after a then small company called Ram Golf had brought it on the market. It is interesting to note too that Ram had only one engineer at the time in their entire company and MacGregor had 12 in R. & D., plus four at their golf ball plant.

It also appears that when they enjoyed their best years, they also had the best quality in the industry. In other words, the fact that they had the courage to constantly do things differently and first did not lessen the quality of their product, a fact that has not been true for many years. In fact, many potential new features were laid aside during these later years simply because the plants could not promise to hold the standards of quality that

they had given blood, sweat and tears to finally achieve. In one product planning meeting, a marketing executive remarked that their manufacturing and R. & D. people must have all been trained by Henry Ford when he made only black Model T's.

It was the first time in MacGregor's history in the golf business too that they did not have the most skilled clubmakers, the fact that Clarence Rickey recognized immediately and exploited so successfully. True, he was a master at selling the "sizzle" and not just the steak, which we will cover more completely in the next chapter, but he also was a gambler by nature, as was Toney Penna--and they would always roll the dice if they felt an idea would give MacGregor an advantage over competition.

MacGregor's first exposure to golf according to hearsay was when a wealthy English sportsman stopped in Dayton to visit his friend, Edward Canby. He had brought his golf clubs with him and because there was not yet a golf course in Dayton kept his game sharp by hitting balls on Canby's vast estate and in doing so broke the head on one of his woods. Canby insisted on taking it to his shoe last plant the next morning to have the head replaced and a persimmon block was used to shape a new head. It is said that when the Englishman returned home, he soon found that his new persimmon head was superior to any wood being made in the old country and being prominent, he spread the word wherever he traveled, thus creating a demand for MacGregor's persimmon heads. Included in the collection of Robert Kuntz of Dayton, reputed to be one of the largest collectors of golf antiques in the world, is a 1900 magazine in which an un-named MacGregor executive is quoted as saying that they were importing to England and Scotland over 100,000 heads just three years after they had entered into the golf business, thanks to someone using, probably by chance, the first persimmon to replace the Englishman's broken wood head.

MacGregor's expertise about wood and their skills in working with it gave them a tremendous advantage and they soon claimed to be the biggest US manufacturer of persimmon heads and hickory shafts. Of course, the secret to their success was that wood was their business and always had been, so they bought better than their competition. Also, it is said that they believed that both persimmon and hickory should be air-dried for at least 3 years before being used and, of course, was the reason they had the two tremendous sheds behind their Dayton plant.

It is interesting to note that because MacGregor had become the largest supplier of hickory shafts, they had some reluctance to push the new steel shaft--and also explains why they had a 3 year supply of hickory on hand when the market switched to steel almost over-night. It also explains why they were the last major manufacturer to begin using laminated heads instead of persimmon, even though being wood experts, they recognized that good persimmon was no longer available even before World War II, which was the reason that they had developed their famous "oil hardening" process, which now has made MacGregor woods of the 40's and 50's the most valuable of the Classic clubs and for which as much as \$1-2,000 are being paid today.

MacGregor was also the first to use face inserts in woods and the first to create esthetic designs for sole plates, the best known being, of course, the Shamrock, which was for many years their trademark also. They were first to create a "sports" model wood, which featured using brass, celluloid and catalin back inserts. Of course, their famous Chieftan model featured face inserts of ivory, which were shaped as shamrocks and in different colors. They were the first to recognize that stainless steel, at least, what was available then, did not lend itself to being used for iron golf heads, as it was too difficult to grind, too expensive and still required being chrome plated to completely rust proof, so developed the first mild steel heads--another MacGregor first.

They were first to enamel and lacquer shafts in simulated wood grains, or in other words, they gave the public the best of two worlds, the performance of steel but with the appearance of hickory. In fact, they developed a process in the 20's called Macoid (MacGregor + celluloid) and put up a building at their golf course site to produce it. Unfortunately, they were unable to overcome the problem of poor adhesion and were finally forced to abort the idea, but it was not a total loss, as the old building was converted by the Dayton Power and Light Company, into a clubhouse and still serves their employees to this day.

Of course, they also introduced the "neutralize^A" as a feature in the Armour Silver Scot irons. It was merely a wood plug that was driven into the tip end of the shaft, but which acted as a shock absorber when an iron hit the then unwatered turf and it also removed the "sting" when a shot was mis-hit.

Another MacGregor first was the broached back for irons, which was a product of Hugo Goldsmith's mechanical genius. Prior to that time, all golf companies had to buy a different forging for every model, or have every club from the most expensive to the cheapest look the same. Of course, the cost of inventorying a great many different models in forgings was prohibitive and also with nine different heads in each model it was a production control nightmare. It was Goldsmith's idea that if a forging could be made with a flat back, it then could be broached into a variety of different back designs. The only problem was that no such machine existed at the time, so "Uncle Hugo", as he affectionately was called by everyone, approached the Cincinnati Milling Machine Company with his idea and they soon were as excited with the challenge as he was. It took them over 3 years to design and then build this monster, which when delivered necessitated that one wall of the building be removed in the summer of 1946. However, it soon proved to be another MacGregor first, but unlike most of the others, one that the consumer was totally unaware of,

except to know that he could get more of a choice of models from MacGregor than any other company. In fact, MacGregor's advantage because of the broach later influenced management to set-up the new plant at Albany strictly for forgings, as they saw no advantage to using castings, which were just then hitting the market. In fact, they were still totally unprepared when the casting took over the market in the late Sixties, which is the reason they were the last major company to come out with a casting model.

MacGregor was the first to introduce a grip other than conventional leather, the All Weather rubber and cord grip, which had been developed by two Texas golf professionals, one of whom was Jack Burke's father and who had been a MacGregor staff member too. The grip soon was being used by almost every top tournament player, but Jack Senior's sudden death plus being under-capitalized had the company close to going under. Jimmy Demaret convinced several other Tour players to invest in the company, but this still was not enough to turn the corner. The operation was moved into the Golf Ball Department and soon the All Weather grip became the talk of golf; in fact, for almost without exception it was being used by everyone on Tour, which forced Wilson and Spalding to come to MacGregor to obtain the grips that their staffs demanded on their personal clubs. Unfortunately, the grip was too rough for the average golfer's hands, so after a two year sale, the demand for it on stock clubs dried up. However, it convinced MacGregor that there was a need--and a market for a rubber grip and they soon developed a compound of softer rubber, which not only could be made in a variety of colors (another first), but also was cheaper than leather and could be assembled by an almost unskilled person. This grip, which MacGregor called the Tri-Tac, revolutionized the market and soon a small rubber company in Akron brought out an even better grip, called Golf Pride, that soon made the demand for leather grip drop to less than 10% of the market.

Jack Nicklaus and Tom Weiskopf are among the few top players that still use leather, but the public continues to demand the rubber grip of some kind and to such an extent that very few companies even carry a stock club with leather grips.

In the previous chapter we covered MacGregor's introduction of models and features beginning with the Tommy Armour Silver Scot model, which ironically was copied from the set of Spalding clubs that Tommy Armour was using before joining MacGregor and with which he already had won several major championships. Between Toney Penna and a master grinder named Ernest Ary, they created the Silver Scot with the Silver Scot model. However, in doing so, they were mainly trying to satisfy Armour's personal tastes, but had unknowingly created a model which lent itself to being made to a wide variety of specifications and appearances with literally a few expert touches on a grinding wheel. This fact probably had a major influence on the Armour irons popularity, for in later years, MacGregor was able to make a different looking club for almost every individual, tour player, club pro, good amateur alike and all from the same Armour forging.

The original Silver Scot woods were not really anything new. On the contrary, Armour and Penna literally copied existing models that they felt were the best, including some that were still being hand-made in Scotland. Their good player's model, which internally was called the 11-69, was deep faced (1 3/4") and had strong lofts with an absolutely straight-away face. The average player's model, the 11-65, had a 1 1/2" face a 11° driver and 1° hook in order to make it easy to use and the fairway woods were shallow for the same reason. They also created a third model, the 11-66, a pear shaped, shallow faced model which they used in both their Senior men's and good ladies' models. However, both Armour and Penna were fanatical about making MacGregor woods "flow", as Armour called it, when in essence was to eliminate all sharp lines on the wood head by slightly rolling all edges and slightly

crowning the top of the head. Armour, who at that time was still the professional at Medinah Country Club in Chicago, had become quite close to the head of Illinois Institute of Technology, who was an avid golfer. Between them, they proved in a series of tests that a rolled face would compensate for a ball hit off the center of the hitting area, so MacGregor's master craftsmen developed an entirely new way to face woods, "the Four-way roll". It consisted of rolling the face not only from heel-to-toe as everyone did, but also from top-to-bottom, thus creating a slight apex at the very center of the hitting surface. It required great skill to do perfectly, but which MacGregor at that time had in greater abundance than any other company. These subtle touches soon made MacGregor woods the choice of good players and the consumer as well and while many companies have tried to copy these models, only Toney Penna and Ben Hogan have even come close, essentially because they can not today find people with these same skills.

It is a well publicized fact that in the Classic golf club market, MacGregor's woods and irons made in 1939-1942 in Dayton and 1948-55 in Cincinnati command a higher price than any other brand. In fact, many of the current Tour players have a standing order in for sets of these clubs and for which they have set no limit on price. There are several outfits that have sprung up in recent years that specialize solely in the buying and selling of so-called Classic clubs, all of whom confirm that the MacGregor clubs of these specific vintages are the most sought after and consequently, the most highly priced, not only because they still are superior golf clubs, but also have held-up better than any other brand this old, which they credit to MacGregor's "oil hardening" process. In fact, some of these clubs look almost like new, even though they have been used for nearly 40 years. While oil hardening undoubtedly contributed, it also must again be emphasized that MacGregor at that time knew more about wood than any competitor, so were a lot more selective and demanding in the persimmon they would accept.

They were willing to pay a premium to get the wood that they wanted, which time has proven was one of their better management decisions.

We covered in-depth the introduction of the MT and the dynamic impact it had on the golf market. After this success, MacGregor continued to introduce something new, usually every 2 to 3 years, or whenever the current top model began to show signs it was losing its appeal. The features best remembered such as Colokrom faces, Eye-O-Matic inserts, Flame Ceramic and Pro-Pel shafts, all were MacGregor firsts. All were distinctly different than anything previously seen. All promised better performance. Also, and this is extremely important, all were features that were visible to the least knowledgeable golfer. They were not subtle, nor were they meant to be, as they literally screamed out, "Hey, I am something different and I can help you play better golf". All also triggered the curiosity of the golfer and made him ask his professional what they were, which, of course, is the first and most important step in selling a set of clubs. Naturally, the pros loved everyone of these MacGregor firsts accordingly, as they not only created interested in buying new clubs, but also obsoleted every member's present set of clubs.

There were many other firsts over the years such as the Double Duty Niblick, which was popularized by Bryon Nelson's still unbelievable streak of victories, but even more dramatic from a marketing stand point was the Double Service Niblick, on which Penna ground a groove on the sole of a sand iron forging that allowed the club to be used as a pitching wedge if played off the front flange and as a sand iron when played from the back flange--naturally, however, it was not advertised that you had to be a helluva good player to pull it off.

However, the major thing that the MT line accomplished and which completely revolutionized the merchandising of top grade pro clubs that they were offered in matching sets of woods and irons with a choice of 4 different shafts; firm, medium stiff, soft and ladies and which was dramatized by a wall chart that graphed the difference in each shaft. This concept enabled the professional for the first time to sell a member a matching set of both woods and irons at one time. In fact, it was so well received that MacGregor then created a special display box that housed 13 clubs, M/4 woods and M/9 irons as one unit. It also was the first time that the wedge, either a pitching or a sand iron was included as a part of a matched set of irons and which automatically sold an extra club for the pro--and he loved it.

MacGregor further capitalized on this concept by asking True Temper to make up a new line of shafts exclusively for them, called Pro-Pel. This shaft was not too different than existing shafts that had been on the market for years, except that it had more kick at the tip end, but more important, it also had a 2" decal just under the grip that told the consumer once again, "I am new and exclusively by MacGregor", when once again provoked him into asking his pro what was different about this new shaft.

In talking to club professionals who were considered the better merchants at that time, the two things that they will best remember MacGregor after the Brunswick take-over in 1958 was the Evendale Custom Club program and the Nicklaus VIP clubs. Ironically, the custom club program was a "loser", at least from a profit standpoint. It was created at the time MacGregor closed its Spring Grove plant in Cincinnati and moved the making of all stock pro clubs into the Albany, Georgia plant, which prior to that time had made only dealer and cheaper pro models. MacGregor had for many years encouraged pros to order custom clubs for the personal and their better players' use, but also had developed a market of

approximately 20 key accounts like Herman Barron, Charlie Penna, etc. who bought nothing else. In fact, at one time Charlie Penna did not stock a single set of any competitor's clubs and most years he sold between 50 and 100 sets of woods and irons of this kind, all of which were stamped the Charlie Penna Custom Model and were changed in some way every year. It also was at this time when the market was feeling its first signs of over-production and too many closeouts, which then bled the golf speciality houses, who are today's "discounters". In most cases, this discounter was a fellow PGA member, who held a regular club job, but had opened a retail type of outlet to take advantage of an opportunity he saw developing. In fact, MacGregor was a major contributor to the surplus of closeouts in the mid-sixties, for while they also had some because of model changes, they never had previously exceeded being more than 20% of their total sales. However, in 1964, Brunswick management decided to add a "strive factor" to the regular year's forecast and the approximately one million dollars of club sales that was added ended up becoming almost closeouts in its entirety. Consequently, MacGregor found it necessary to liquidate almost 50% of its year's production as closeouts and naturally were unable to hold the usual 25% mark-downs (and which still yielded grosses of over 45% of pro clubs), so created the first quantity pricing on pro clubs and which really put the discounter or quantity buyer in business to stay. This is one first that MacGregor would like to forget, but fortunately, most pros have now forgotten how it all started.

However, even more disappointing, MacGregor soon learned that while there was a large market for Custom Clubs made in their new Evendale facility, for they not only were of superior quality, but also were made to each pro's specifications, which eliminated any direct competition from the so-called discounters. However, they found also that the average consumer could pay only a modest

premium for such clubs, but not the 20 to 25% MacGregor and the pro needed. There is an important message to be learned from this experience! Most club professionals recognized that these MacGregor custom clubs were of superior quality, but the differences between them and stock clubs were too subtle for the average golfer to appreciate. In fact, one major account called these clubs "surgical instruments", but because there was nothing as visible as Colokrom, Flame Ceramic, etc., the consumer was unwilling to pay extra for them.

The result of this experiment was regretfully that MacGregor was unable to earn a decent return-from-investment for the Custom plant, principally because of high labor rates. In fact, these clubs cost exactly twice as much to make as the Albany pro stock clubs. Perhaps, they were twice as good too, but it eventually forced MacGregor to close the Custom plant in 1972 and they absorbed this operation in Albany, where there was only a handful of clubmakers skilled and experienced enough to work on such clubs. What happened to the approximately 100 of MacGregor's most skilled people when the Custom plant was closed? They were terminated, as most were still shy by a year or two of being eligible for early retirement. Most stayed in Cincinnati, but took jobs out of golf. Several went with competitors, or started their own repair and custom shops. In fact, at least six of the later group have since claimed in newspaper interviews to have been MacGregor's designer or Nicklaus' personal clubmaker. This taught MacGregor another important lesson--the average golfer cannot recognize subtle differences and consequently, not only will not pay a premium for just quality, but probably will not even buy a stock set if he cannot see the difference.

MacGregor had one more first before beginning its final downward slide, the creating of stock or mass produced clubs in a Custom plant, the original Toney Penna VIP model. The original model was priced slightly higher than any stock club and was made in a

limited quantity. This proved to be a good decision because it sold in a very limited way too, probably partially because Toney was by this time a very controversial person to the trade. In fact, probably as many club pros despised his personality as those that thought that he was a "genius"; it is a paradox that they both were probably justified in their feelings, but the end result was limited sales. That is until negotiations began with Jack Nicklaus for his second five year contract.

Jack's name had been used exclusively on the Dealer line the first five years (1962-66) and with the creation of the Golden Bear promotion of a set of M/3 wood, M/8 irons and a bag and headcovers for \$99.99 retail, MacGregor became a major factor in the retail market overnight. However, this did not satisfy Jack, who would have preferred naturally that his name be used only on pro line high priced clubs. A compromise was worked out, in which MacGregor agreed to use Jack's name on its highest priced pro model, while, of course, continuing to use it on most of its dealer line. Bob Lysaught was commissioned to develop something completely different than anything previously seen on the market and he came back with the Jack Nicklaus VIP model--and brother, was it different! In fact, so different that Jack's initial reaction was totally negative. However, after he understood why Lysaught had Union Hardware develop a new shaft without any steps (and it was new if you did not remember the original steel shafts), had finished it in a rich dark green to which he color co-ordinated the grips as well as other subtle differences, Nicklaus was sold and left the meeting as enthusiastic as he had ever been about a MacGregor idea. It was priced higher than any club then on the market, but unlike its predecessor, the Penna VIP, it received immediate market acceptance, thanks to the magic of Nicklaus' name.

In an effort to be completely objective, we asked between 20 to 30 of today's most successful club professionals how they would

describe MacGregor's performance during the last decade. While they used different words, their opinions were almost unanimous, namely that MacGregor was no longer a brand that they had to have, or that their members demanded. However, they did feel that MacGregor had made progress in improving their quality in Albany, but no longer was a leader. In fact, most thought that the last new idea MacGregor had introduced was the Nicklaus VIP in 1965. They also were emphatic in stating that MacGregor had lost their "personal touch" and they no longer felt that they, the golf professionals, were important to MacGregor, or did they feel like they once did that "they were members of MacGregor's family". However, it is interesting to note also that only two of these pros interviewed even mentioned the effect the economy, the questionably legality of the "pro-only" policies, etc., over which MacGregor, or for that matter, any of their competitors have any control, or influence regarding their present relationship. However, every one was quick to mention that because of the discounter that it was no longer possible to sell most clubs for a profit, or worth the effort and investment it required.

All of this again emphasizes that the average club pro is not a sophisticated businessman and consequently, he has different priorities than the retailer, or most other businessmen. The company that understands this and is able to create products and ideas that are completely different, and/or satisfies what the pro is seeking will again have an advantage over the 53 other companies now making clubs. Gerry O'Keefe, whose background with both Spalding and Brunswick was in the retail market, used to call this different approach required for the pros "Black Magic" and perhaps, he was closer to the truth than he realized.

This chapter was devoted entirely to MacGregor "firsts" and the effect they had on MacGregor's success. Each was a tangible, something you could see or feel. The next chapter is going to

deal with the intangibles; marketing policies and strategies, etc. which many feel are as important, if not more important, than the tangibles in the strange business called golf.

MARKETING PHILOSOPHY--"OR SELLING THE SIZZLE"

In looking back at MacGregor's marketing philosophy over the years, it seems to be a series of cycles. At two different times, MacGregor changed their emphasis from the pro market to the retail and both times they experienced traumatic results-- as well as the loss of position and profits. While both times they succeeded in becoming a factor in the retail market, both times it resulted in their almost completely losing their position in the pro market.

The first cycle, of course, occurred in the mid-Twenties, when MacGregor's management decided to go after the then faster growing retail market and which they did successfully. It is not known, however, whether they intentionally neglected the pro market, but according to the club pros at the time, "MacGregor no longer seemed to be as interested in our business as they once were", which was probably true, although it is questionable that it was done according to a plan, but probably was a case of benign neglect.

In fact, there is a great similarity between this period of MacGregor's history and the early 1960's when Brunswick, or more specifically, their president, Ted Bensinger, declared that he would make MacGregor the #1 company in recreation, not just in golf, baseball and the dozen other sports they already were a major factor in. He ramroded capital investments through that allowed MacGregor (under protest) to build five new plants, as well as acquiring the Red Head Company, a major maker of hunting clothing and Union Hardware Company and then made them both a part of the MacGregor Division.

Bensinger, who once had been an accomplished golfer, respected MacGregor's reputation in the pro market, but he did not believe that it would jeopardize it to try to be just as big in the

retail market. In fact, he frequently reminded everyone that "if Wilson can do it, so can MacGregor", which was partially true, but, of course, ignored that it had taken Wilson 30 years to reach their present position, during which time they had been extremely well managed. In fairness to all MacGregor's top management that followed Bensinger's decision to be the "biggest in sports" and the creating of the many new plants and the increased capacities that they made available (and critical that they be utilized) no longer was it possible to give top priority to creating new and better products. Instead, almost every marketing decision had to first consider "can we make it without disturbing quality, which we are fighting to regain?" or "will it help eliminate the unfavorable variances that the unused capacities in each of these plants were causing?"

However, the purpose of this chapter certainly is not to dwell on manufacturing problems, but they cannot be ignored either because of the radical effect they had on MacGregor's future marketing strategies.

However, let us direct our attention to what MacGregor did to reach their position of being #1 in golf in the 50's and while you do not reach this pinnacle without doing a lot of things better than competition, we will concentrate on the major marketing activities that MacGregor did differently, or better than competition during this time. They were:

1. Pro-only policy. MacGregor was not only the first to have a complete line of pro-only golf equipment, but they totally believed in this policy; in fact so completely that no one, even their top executives were able to buy pro merchandise except from a golf professional. In fact, shortly after being purchased by Brunswick, Bensinger wanted to give their banker a complete set of pro woods and irons, but refused to pay the retail price, even though the banker was a member of a club

where a very loyal MacGregor account was the professional. Consequently, Bensinger was billed at wholesale, but the pro was sent a check from MacGregor for his normal mark-up. However, their effort to police this policy eroded with their surplus of closeouts, plus Albany's poor quality made it no longer worth the effort.

2. Star Players--The Advisory Staff

While L. B. Icely, the president of Wilson, is given credit for developing the use of star players' names on sports equipment, MacGregor out-performed him at his own game from the late 30's until the early 70's. As previously covered, Toney Penna recommended that Clarence Rickey sign three young Texans in the late 30's, Byron Nelson, Ben Hogan and Jimmy Demaret, all of whom went on to become immortals.

Let's look at the highlights of their records:

Byron Nelson holds the record of winning 12 consecutive PGA Tour events in 1945. He also won the US Open in 1939, the PGA Championship in 1940 and 1945 and the Masters in 1937 and 1942. In addition, Byron won 35 other PGA Tour events before retiring from competition in 1947. He won 54 tournaments during his career.

Ben Hogan - While a member of MacGregor's staff, Hogan won 4 US Opens (1948-50-51-53) as well as 2 PGA Championships (1946-48) and two Masters (1951-52), as well as the British Open in 1952. He also was top money-winner five times. Ben won 62 tournaments in total, also.

Jimmy Demaret - As previously reported, Demaret won the Masters three times (1940-47-50), and was leading money winner in 1947. However, he also was one of the most colorful players in the history of the game and is placed by golf historians in a class with Walter Hagen and Arnold Palmer as being one of the most popular golfers of all-time. Jimmy won 31 PGA Tour events during his competitive career.

Of course, you cannot overlook the "dean" and original MacGregor staff member, Tommy Armour's record, which included winning the US Open (1927), the British Open (1931), PGA Championship (1930) and the Canadian Open (1927-30-34). After retiring from active tournament competition, Armour became known as the game's best teacher and included among his pupils; Babe Zaharius, Lawson Little and Frank Stranahan, as well as writing several books, two of which are still the top selling golf books of all-time.

As previously mentioned, another staff member, Craig Wood, whose name was used on MacGregor's sportswear line, won both the Masters and the US Open in 1942, so was the "duration" champion during the way years when neither tournament was played.

In other words, MacGregor's staff not only had the best records in golf, but also were considered the "class" of the sport during those years, which in turn made every bright, young prospect want to be a member of this illustrious group too. In fact, it would require a separate book in itself to list the people and their records who were members of the MacGregor staff from the mid-Thirties to the mid-Fifties, so instead we will list their record in major championships only:

<u>YEAR</u>	<u>US OPEN</u>	<u>MASTERS</u>	<u>PGA CHAMPIONSHIP</u>	<u>BRITISH OPEN</u>	<u>LEADING \$ WINNER</u>
1927	Armour				
1930			Armour		
1931				Armour	
1937		Nelson			
1939	Nelson				
1940		Demaret	Nelson		
1941	Wood	Wood			Hogan
1942		Nelson			Hogan
1944					Nelson
1945			Nelson		Nelson
1946			Hogan		Hogan
1947	Worsham		Demaret		Demaret
1948	Hogan	Harmon	Hogan		Hogan
1950	Hogan	Demaret			
1952			Turnesa		
1953					Worsham
1954			Harbert		Toski
1955			Ford		
1956		Burke	Burke		Kroll
1957	Mayer	Ford	L. Hebert		Mayer
1959			Rosburg		

Let's Stop at this point, momentarily, to review the highlights of this amazing record:

1. From 1937 through 1959, excluding the War years, MacGregor's staff members were the PGA Tour's Leading Money Winners 10 times, seven consecutively.
2. From 1937 to 1957, they won the Masters 8 times.
3. From Armour to Bob Rosburg in 1959, they won the PGA Championship 10 times and from 1952-59, they won it 6 out of 8 times.

Other prominent staff members during this period were: Herman Barron (the Tour's only Jewish pro), George Bayer (the game's longest hitter), Dave Douglas, Marlene Hagge, Beverly Hanson, Ruth Jessen, Tom Nieporte, Jackie Pung, Mike Souchak, Frank Stranahan, Louise Suggs, Fred Wampler, Bert Weaver, Don Whitt and Henry Williams, Jr.

Most of the companies subsidized an impartial club and ball being taken at many of the tournaments during the year, which consistently revealed during these same years that better than 50% of the field in any PGA event used MacGregor woods and irons (and Acushnet golf balls). In amateur golf, MacGregor also dominated with such great players as Bud Ward, Dick Chapman, Ted Bishop, Charles Coe, Billy Maxwell, Gene Littler, Arnold Palmer (who used Armour clubs then), Hillman Robbins and, of course, Jack Nicklaus, all winning the US Amateur while using MacGregor clubs exclusively. In fact, wherever tournament golf was played from 1940 to 1960, MacGregor was the choice of the champions, whether it be professionals or amateurs, men or ladies, juniors or seniors.

1961 was a significant year in MacGregor's history, as Jack Nicklaus, who had played MacGregor clubs since he was ten years old, turned professional. While Jack personally had no interest

in being with any other company, he signed a business agent to represent him, Mark McCormack. McCormack, who was a fine player himself (he also used MacGregor clubs incidentally), already represented Arnold Palmer and Gary Player. He also was the first "agent" with whom MacGregor had had to negotiate, but which really was the beginning of an entire new era of MacGregor's relationship with its Advisory staff. Nicklaus signed a 5 year contract for more money, including a \$100,000 bonus, than any golfer had previously received. Since that time, Jack has signed another and better contract in 1967 for 5 years and an even better 10 year contract in 1972. It did not take Jack long, however, to pay MacGregor back on its investment, as he beat Arnold Palmer in a play-off for the US Open in June of 1962, just six months after he had turned professional and had joined MacGregor's staff. In the years to follow Jack had broken every record in professional golf. Let us look at his record going into the 1979 Masters:

1. Has 66 PGA Tour victories; 44 - 2nd places or ties and 30 - 3rd places or ties.
2. Has lowest career stroke average of 70.3 strokes per round and had led the Tour in lowest stroke average 8 times-- and was 2nd 6 times.
3. Has been Top Money Winner 8 times, with career earnings (prior to '79 Masters) of \$3,360,702.
4. Has won most Major Championships--17. Five Masters, three US Opens, three British Opens, four PGA Championships and two US Amateurs.
5. Has been the PGA PLAYER-OF-THE-YEAR 5 times.

In fact, one of the few subjects in golf about which you will not get a variety of opinions is that Jack Nicklaus is the greatest golfer of all-time. He is equally outstanding as a human being, a father, and a husband. In fact, to confirm this, Sports Illustrated choose Jack as the "Sportsman of the Year" in 1978 because of these qualities, even though in Jack's own opinion, it was not one of his better years. While he is not idolized by the public like Arnold Palmer, or even Bobby Jones was before him, no one in the history of sports, not just golf, has been more respected by the public, and equally important, the media than Jack Nicklaus. He is a tremendous credit to golf--and MacGregor's most valuable asset by far.

MacGregor was blessed, thanks to the skill to recognize raw talent of Leon Nelson, who succeeded Toney Penna as MacGregor's golf talent scout, to discover within a few years following Nicklaus' signing, Tom Weiskopf, Johnny Miller, Tom Watson, Ben Crenshaw and Ed Sneed. No one, even Toney Penna in his prime, had ever tied-up so much talent at one time; in fact, in the age of the agent, it was too much talent, more than MacGregor needed or could afford. Consequently, Miller left and signed with Wilson, Watson went to Ram(Colgate) and Sneed to Hogan in the years to follow.

There is no question that because MacGregor has attracted the game's best players over the years that it has had a great impact on its sales. In the retail market, these players names have been featured on clubs and balls. In fact, Nicklaus' name made MacGregor a factor in the retail market almost overnight. However, while club pros are a different breed of animal, they too are influenced by winners--and like all human beings, like to be with a winner.

Club Professional Promotions--and the "Personal Touch"

Looking back over the years, the most effective promotion MacGregor ever had for the club professional, and they have like most companies tried everything, was getting him to use MacGregor clubs personally, as nothing has a greater influence over what he in turn sells his members. Of course, being the originator of the "pro only" policy added to MacGregor's appeal--and like Acushnet, MacGregor reminded the pro of this policy at every possible opportunity and the pro never seemed to get tired of hearing it.

Obviously, the major reason club pros wanted MacGregor clubs was not only because the top Tour players used them, but that MacGregor then made a superior golf club. True, most of the club pros' sets had to be custom made and were if for no other reason of a superior quality. However, this might have been why MacGregor literally owned the Pro Shops during those years, MacGregor did everything possible to make the professional feel that he was their most important customer. For example, remember the first thing Clarence Rickey did when he reorganized MacGregor was to change the people in each of the following departments: 1-- Customer Relations, 2--Credit, 3--Custom Clubs and 4-- Repair. The same emphasis was followed with the company in Cincinnati in 1946, for only most experienced and skilled were allowed to be in any of these functions. They in turn were paid, and equally important, publicized enough that they felt their jobs were important and wanted to spend the rest of their lifetimes on them. In the Brunswick years, the people on these same jobs were all paid significantly more, but the prestige of their jobs was downgraded. They became "training departments" that you had to leave after a brief stay if you wanted to progress and grow. Consequently, they experienced great turn-over, which is undoubtedly the reason so many club pros said, "I don't know anyone at MacGregor any more", or "there is no one left that feels my

business is important." In MacGregor's golden years, the smallest pro customer was treated like a VIP, for unlike most businesses, the pro changes jobs often, so today's small account might someday be the pro at a Winged Foot or a Medinah. This fact was again totally ignored when Brunswick's financial people decided that every account that had done \$500 or less the year before had cost MacGregor money, so should be taken off the active lists and sold COD on an accomodation basis in the future. Needless to say, very few of these "purged" accounts ever choose to buy from MacGregor again--and unlike it had once been, they were able to get away with it because their member no longer demanded to have MacGregor clubs.

In the Fifties, so many club pros used MacGregor clubs personally that MacGregor was not required to give many away on a no-charge basis and the maximum discount for personal use was 25%. At that time, MacGregor had three different Home Pro deals:

1. There were approximately 12 pros who were paid \$750 annually and given their clubs, bag and 12 dozen golf balls N/C. This was increased to approximately 25 in the Sixties, and six were also raised to \$1,500 per year, but also were involved in line planning, etc.

2. Approximately 100 were given N/C clubs, bag and balls. Their bags were just like the Tour staff's, making them MacGregor's Home Pro Staff. No one else was allowed to have this type of bag, as it was a badge of recognition as such.

3. Salesmen were allotted, based on volume, another 300 sets, bags and balls, which the selected pros were allowed to buy at a 25% discount.

In order to establish some kind of a criteria to determine who should be selected for any of the above deals, MacGregor suggested the following in making their decision: (1) Volume (or potential

volume of sales), (2) Record as a player and (3) Record as leader in section, i.e. PGA officer, etc. However, so many wanted to be one of the MacGregor staff that most met these requirements, even many that were buying their equipment on the 25% discount deal.

This continued until Ben Hogan left and started his own company. He also hired a former MacGregor salesman, Ernie Sabayrac, who now headed up his own rep organization, to act as his sales force. Ernie, who was one of the best salesmen in MacGregor's history before getting national distribution of the Foot-Joy golf shoe line, also knew where the bodies were buried and he took dead aim at MacGregor's staff, who he knew were the best in the business. He succeeded by offering more money in getting several, but he also awakened Wilson and Spalding, who also began offering more money to club pros, but which MacGregor refused to do. In fact, MacGregor was able to hold most of their staff in spite of this fact, that is they were able to until it was no longer possible to make custom clubs that were superior quality for their personal use.

In the 70's, MacGregor made another aggressive effort to recapture the home pros' personal use business, in which they gave their salesmen 300 sets of clubs, bags and balls to give away and only asked that the pros to whom they were given do \$3,000 of business a year. Regretfully, the plan did not work, if only because most of the better pros were already on competitors' staffs and were being paid, thus leaving only the lesser pros or assistants available for MacGregor--and whose business only averaged around \$2,000 per year.

In fact, MacGregor's experience was one that almost every other company has had in recent years too, yet they continue to compete among themselves to see who can give the most away with little or no promise of return, even appreciation. However, they have no

one to blame but themselves, for the pro knows that if one company does not take care of him that there are six others that will.

Pro Sales Organization

Golf's industry experts feel that MacGregor's Pro Golf sales organization in the Fifties was probably the most outstanding group ever assembled in the history of the game. It was well-balanced between well-known old timers and hungry young tigers. Most had been club professionals or assistants and still retained their PGA memberships, so they understood their customer and what motivated them. Of course, it all had started back in the 30's when Clarence Rickey reorganized the company, for being a super salesman himself, he knew exactly the kind of man he wanted; in fact, he even knew individuals that he felt he had to have. The first was Tom Robbins, who was a regional sales manager for Walter Hagen and also one of the best amateur players in Chicago (he was later to become the US Senior champion). Rickey told Robbins of his plans and then spread out a map of the United States and told him to pick the territory he wanted. Tom choose the metropolitan New York area quite wisely and it was a rare year in which his commission did not exceed \$50,000, even after the rate was reduced to 5%. The second salesman Rickey hired was equally out-of-the ordinary. His name was Harry Adams and his background included being a club pro, a Tour player and before becoming one of Armour's assistants at Medinah a salesman for Acushnet and Mac Smith. Adams choose to stay in Chicago, but agreed to spend his winters covering the Pro shops in Florida also. He soon "owned" the Chicago market, but also became the power behind the throne in the Illinois PGA. Harry was a born leader; a person to whom other people gravitated and it was his idea to form a salesman's organization called the Sunburst Club (it actually was the Sunva Bitch Club) which made annual awards to internal people. In actuality, this organization after Rickey's

death created the esprit de corps that set the standard of excellence that made MacGregor outstanding. In his later years, Adams became MacGregor's first regional sales manager, during which time he attracted and trained an outstanding group of youngsters. In fact, after Adams retired, four of his young people left to join Acushnet and soon were their top four salesmen (and they still are, incidentally).

It was not unusual during these years for MacGregor to have over 200 applications for sales jobs on file, including ones from many competitor's salesmen, which MacGregor made it a policy never to hire. While most MacGregor salesmen were able to earn more, the team spirit that Harry Adams started, had to be equally important in attracting such outstanding performers.

Leaders like Robbins and Adams were totally involved in all the companies activities. They participated in line planning and the making of policies; in fact, they inadvertently set the standards of performance to which everyone in the company was expected to perform--and were very vocal when someone did not, even top management was not spared. In fact, MacGregor was more of a family than a company during those years and everyone wanted to be part of that family, including the club pros. Club pros were encouraged to visit MacGregor's Cincinnati headquarters and were given the royal treatment when they did; everyone from the president to the janitor made them feel welcome and spent time with them. It was a rare week during the off-season (October-March) that there were not several groups or out-of-town pros visiting the MacGregor "plant", during which they placed orders for Spring and their personal use, cleaned up their accounts, also offered suggestions about future lines and policies (and had one helluva good time).

MacGregor's internal people also went out into the field frequently to work with salesmen, to attend Sectional PGA meetings and tournaments, at which they often were speakers also. This

included not only marketing management, but credit, customer service, advertising and even factory people. The overall result of being so frequently involved with the customer was that not only were the MacGregor people the best known in the industry, but also the most knowledgeable and understanding. The pro became a close friend and he reciprocated by being very loyal to MacGregor and its products because afterall, he was a member of the MacGregor family too.

MacGregor actively sponsored many sectional PGA events in those days, including tournaments, cocktail parties; in fact, they even initiated tournaments for the assistants knowing that they were the head pros of tomorrow. For many years, they held a party on the eve of the PGA championship, which was called the Tourney Club, and to which all contestants (remember 1/2 were club pros then), the media and VIP's of golf were invited. It cost up to \$10,000 for the evening even in those pre-inflation days, but MacGregor considered it money well spent. In the pre-Brunswick years, MacGregor spent more on promotional activities than directly effected the club pro than they did on advertising. However, their promotions were always first class and very visible and they paid rich dividends for many years afterwards.

Advertising

In the opinion of their competitors, MacGregor's advertising was good in those days, but it was very limited. Most of their ads were confined to the golf magazines and only rarely did they use a Holiday, Time, Newsweek, or later, Sports Illustrated and then advertised an item in their retail golf line.

However, all of this changed with Brunswick, who was convinced that the Tourney was as good a ball as competition, launched a full-scale ad program in national magazines and one-half of its cost was underwritten by Corporate. In this campaign, MacGregor

leaned heavily on Jack Nicklaus' success to convince the golfer that the Tourney was a superior golf ball. However, try as they may, they could not convince the consumer to change brands--and the club pro seldom will try to push one golf ball over another. In the following years, they added TV and radio, none of which seemed to change their position as one of the golf industry's "also rans".

They also tried a number of different sales promotions, in which both the consumer and the pro could win new cars, trips to the Masters, or other exotic places and the salesmen handsome bonuses. All succeeded in increasing golf ball sales for 60 to 90 days, or during the contest, after which they would dry-up to practically nothing because everyone was then up to their ears in Tourneys that the consumer still would not come back and ask for a second time. A great deal of money was spent on trying to get the Tourney ball moving, dollars that were literally being stolen from golf clubs, which still were the major source of MacGregor's sales and profits. In reviewing MacGregor's marketing programs over the years, it appears more dollars and effort were spent with less return on the golf ball in the Sixties than any other product at any time.

In more recent years, MacGregor began a series of TV spots in which Nicklaus, Weiskopf and Crenshaw are featured using the Tourney ball that have resulted in more sales than all previous programs put together. More important, club pros report that for the first time their members are coming back and asking for the Tourney again and again, so hopefully, this is the beginning of a new era in which MacGregor will at long last be a major factor in the golf ball market.

Marketing Services

MacGregor in the past spent a lot of time and money creating various forms of marketing services, which other than the

conventional score sheets and the hole-in-one certificates and trophies, tried to always find something completely different than the pro could get from a competitor.

However, they, or for that matter, no one in the industry, has been too successful though in getting pros to use POP materials, regardless of how attractive they are. MacGregor has had only two exceptions, first, the shaft chart that graphed the different patterns that MacGregor offered exclusively and a display stand that invited the consumer to try one of six MacGregor drivers, each with a different shaft to prove which MacGregor shaft was best for him. In fact, one pro told a MacGregor executive that the reason that he did not use companies displays or posters was "that you never saw a beer sign in the Pump Room, did you?" In fact, the only thing MacGregor ever offered that got wide spread use was a series of printings that featured holes at the US Open sites and on which you needed a magnifying glass to see that it had been sent to them by MacGregor.

If nothing else, this chapter on Marketing once again shows that the golf professional is different than any other businessman and must be motivated by things that he and not the company necessarily feels are important. Sure, he is interested in improving his bottom-line, but is very selective in what he is willing to do to accomplish it. It recalls when MacGregor initiated the first of the now common "dating" programs, in which a pro could earn discounts of 6%-4%-2% based on when he paid. It was quite revolutionary at the time (as was 6%) and it produced plus orders, at least for one or two years. However, less than 10% took advantage of a discount of any kind. A MacGregor representative mentioned this to a national PGA officer, who replied, "What are you complaining about? After 50 years, we finally got our members a pension program of their own, but less than 20% even answered the questionnaire we sent them about it."

Yes, he is different, but he can be motivated if you understand him. You are not going to change him. It cannot be done, but you can win his loyalty if you give him what he wants. Afterall, MacGregor has done this twice in their history, haven't they!

About the Author

Bob Rickey is a third generation in sports. His father, Clarence, is remembered for creating the industry's first complete line of "Pro only" equipment. Bob's grandfather, Flint, was a cousin of baseball's famous Branch Rickey and worked for him many years as a manager in the St. Louis Cardinal organization.

Bob joined MacGregor on a full-time basis in 1946 after finishing college at Northwestern University and serving in the military. He had previously worked in the old Dayton plant during the summers of high school and college, but his first full-time job was as Advertising and Promotion Manager of the MacGregor Golf Company. A few years later, he was made VP-Marketing Pro Golf Division, the position he held until Brunswick acquired the company in 1958. He continued to head-up the Pro Golf Division until the late 60's when the separate Golf and Athletic Divisions were combined and he became VP-Marketing of Brunswick Sports, in which he was responsible for all product lines.

In June of 1974, Rickey took early retirement and set-up his own sports management consultant firm in Cincinnati, which included returning to his original field, writing. In 1977, Rickey won a national writing award in a contest MacGregor sponsored annually; his article was appropriately about Tommy Armour. In addition to these activities, Rickey as secretary of the Golf Writers Association of America runs the organization out of his Cincinnati office.

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