

## Q3 2019

Well the season has been a bit up and down this year. A great start to 2019 garnered much anticipation but this didn't last. H1 ended up being just 2% up overall. Q3 has not been any better. While a good July compared well on last years poor performance, August and September were both poor. Q3 was actually over 3% down on 2018 in value terms. This resulted in the year to date figure dropping down to just 1% value gain v 2018.

Overall Q3 had some upsides - clubs, trolleys and distance devices were up, however everything else was down.

Sales Value (£ 000's)		Q3 2019
Channel	Product Type	% Change
On & Off Course Combined	All Categories	-0.7%
	Clubs	+2.2%
	Apparel	-3.7%
	Apparel (excl. Outerwear)	-2.4%
	Consumables	-5.3%
	Light Durables	-3.8%
	Other	+8.4%

In value terms Golf Datatechs retail audit has shown a decline in sales in Q3 for 10 of its tracked categories, with 7 showing growth.

In unit terms all but one category (Distance Devices) was down in Units v 2018. Meanwhile ASP was up in all categories v 2018.

So why the drop in sales value?

Well there are probably a number of issues at play. The economy isn't exactly helping with all the Brexit confusion leading to uncertainty. However general retail sales figures for the last 3 months show a 3% value growth year on year. So what else is going on? Well I don't think we can ignore the weather we have had over the last 3 months – this is often a major factor on sales. Looking at the worst performing category - consumables which are well down it does suggest that play is down. Looking at the overall weather stats for the UK we have had over 18% more rain days than the period average. That works out at roughly a weeks worth of golf play that may have been lost – at least for the casual golfer – who doesn't like getting wet.

**So how has this panned out in each category in Q3.**

Bags are pretty flat in value. A near 5% drop in units has been propped up by a similar increase in ASP.

Balls are down in both units and value. Both on and off course saw a decline. I am sure participation is a big driver. ASP was up year on year with the average dozen price being about £26.50.

Footwear continues to have challenges. Both on and off course have seen a decline this year in units. Over the past 12 months it has arguably been the worst performing major category. Value was down 6.5% in Q3, -4.9% year to date. Asp's have seen a small increase in line with other categories however this shouldn't causing the issues. It just looks like golfers are buying less shoes at the moment.

Gloves saw a big drop in Q3, -8.9% in value and nearly -13% in units. Asp increases have been in line with the market so this must be down to the volume of play.

Irons are one of the better performing categories this quarter. Up in value but down in units, Asp has increased by nearly 9% versus the same period last year. Higher price points have supported overall market value for the past few years but we are just seeing the first sign of overall decline. This month the rolling 12 month percentage change versus last year saw its first decline since mid 2015.

Putters were the best performing club category in Q3. Up in value due to double digit year on year price increases that over shadowed a small decline in units.

Trolleys have performed in line with all the other major categories this quarter. Up in value, down in units with a large increase in ASP year on year. After a couple of roller coaster years the 12 month growth is relatively flat.

Wedges were the worst performing club category in Q3. A small increase in ASP couldn't counteract an 11% decline in units. Other than some brief respite a couple months around Christmas, Wedges have seen sustained decline in units since the middle of 2017.

Woods units continue to drop – down over 6% in Q3 compared to 2018. This has been the longterm trend with year on year unit sales dropping since the end of 2014. ASP like everything else is up nearly 9%. The trend in unit loss just might just be flattening, so fingers crossed we might be getting close to the bottom in total unit sales.

## Apparel

Generally apparel is has had a pretty torrid time over the last quarter. Only mens shirts have seen any growth up just 2.5% in value. Unit sales have really tanked however with all categories other than shirts down double digits in units. Apparel has seen some of the largest increases in ASP so this might be part of the problem. One thing to consider is that when we see increased spending on clubs we often see a reduction in apparel so it might just be the natural order of things with people not having the spare cash. Ladies clothing seems to have been the worst performing. However this does coincide with the categories that have had the largest price rises. So this might be that there has been less traffic in store but also less clearance as well.

## Sales mix

Overall Sales mix this year has been pretty similar to other years, with Woods and Irons the two largest categories. Q3 saw Irons take the number one spot in terms of overall share of spend. Woods fall in to second place, followed by Balls, Mens shirts and Shoes. Over 40% of all spend was on clubs.