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Preferred by serious golfers

Business

Bag Boy steps into electric-cart market

Partnership with established Aussie company might help niche product climb over the hump

By Gene Yasuda

When a persistent Aussie shows up at the front door with a business idea, it may be worth letting him in. At least that's what executives at Bag Boy, one of the game's major push-cart manufacturers, have discovered.

For years Bag Boy officials had contemplated entering the electric walking cart category but stayed clear of it because of the horror stories they had heard: Golfers complaining about poor performance or chronic mechanical breakdowns.

So when Ian Edwards arrived at Bag Boy headquarters in Richmond, Va., pitching his motorized models,

some executives declined a meeting – until they looked out their windows. What they saw changed everything: A lightweight carriage that looked more like a hot rod than a push cart and with the touch of a remote control would turn on a dime and pop wheelies – without toppling.

“We saw this thing zinging around. That's when we reconsidered,” said Craig Ramsbottom, Bag Boy's president.

Through an alliance with Edwards' company, MGI of Victoria, Australia, Bag Boy is seeking growth in uncharted territory: a superpremium niche category.

The high-tech gadgetry of its electric cart line is sure to appeal to some, but cost could be a deterrent:



The Navigator has a self-correcting steering system that uses a compass to keep the cart tracking in a straight line, even over hills. But technology isn't inexpensive: The price is \$1,499.

Suggested retail for Bag Boy's top model, the Navigator, is \$1,499.

Aside from such practical concerns, there also is a philosophical issue that makes it uncertain whether consumers will embrace these carts: Will golfers seeking a communion with nature consider the Navigator an intrusion, even if it is a technological marvel?

Bag Boy officials acknowledge electric walking carts are not for everyone. But they back the initiative, saying it's a natural extension of their business, especially with what they say is the growing popularity of walking.

There is no industry research supporting that claim, but company executives say they have all the evidence they need: During the past six years, sales of Bag Boy's walking cart have more than doubled to 200,000 units (3-wheel models) from 80,000 units (2-wheel models) in 2000, according to Ramsbottom.

Furthermore, the biggest supporters of electric carts may soon be arriving on golf's horizon: Affluent and active baby boomers who may prefer to play the game by walking rather than riding in carts.

Company officials also say they've minimized risk by teaming with an established partner. MGI has been manufacturing electric “buggies” for more than a decade in Australia and sold 8,000 units in 2006, according to Edwards, the company's founder and president.

Essentially, Bag Boy is using

MGI's motorized technology in new frames jointly designed by the two parties. Ramsbottom described the alliance as a long-term arrangement that pays MGI a “royalty” for each cart sold. Bag Boy's sales goal for 2007 is 3,000 units, including the Navigator and its less costly sister models, the Cruiser (MSRP \$1,299) and the Explorer (MSRP \$1,099).

The Navigator's most touted feature is its onboard electronic compass, which Edwards says enables the cart to “self-correct” and get back on course when terrain or undulation sends it astray. A remote control, about the size of a deck of cards, offers up to 200-yard directional control, which is aided by a spring-suspension, free-rotating front wheel that can turn 360 degrees. A retractable fourth wheel provides extra stability. The cart comes equipped with a 33-amp battery that powers the twin motors and navigation system. The Navigator also can be operated in a manual-steering mode, which some golfers may prefer in tight quarters or areas requiring frequent turns.

Company officials acknowledge the Navigator, as sophisticated as it is, has limitations. “Don't take it over terrain where you wouldn't walk yourself,” Ramsbottom said.

Ultimately, the Navigator's value rests in the eyes of the beholder. And clearly Bag Boy and MGI executives think they have a beauty.

Said Edwards: “It's the next best thing to a caddie.”