The State of Technology in the Club: Results of the Survey

A brief email survey was conducted under the auspices of the Private Club Advisor in early January of 2006. Of the 1639 successful emails sent, 661 were read at least once, producing an average read rate of over 40%. There were 242 responses to the survey, representing a 36.6% response rate. Both of these figures are respectable when considered as standard surveys, but take on additional significance when viewed against the average response rate of under 5% for most electronic surveys. It is significant as well that the audience is a motivated group of club professionals who opted into the groups selected to receive the survey.

Demographics

All respondents were asked to complete a few qualifying questions so the data could be further analyzed in context.

Club Type

Of the 242 respondents, 78.8% said that the represented a country or golf club; 9.1% were City/Athletic Clubs; Tennis/Beach/Swim clubs were represented by 4.1%; 2 were College or University clubs and the remaining 7.1% felt they fit into none of these classifications (other).

Member Size

The single largest group of clubs represented had a membership in the 500-799 member range at 37.1%. 24.6% had 300-499 members, followed by two groups at 24.1% each; those under 300 members and club with member populations ranging from 800-999.

Club Ownership

The overwhelming majority of clubs responding (84.7%) are owned by the members. 12.8% were owned by a developer or investor of some sort. The remaining 2.5% represented several diverse ownership types (other).

Tax Status

The tax status of a club can significantly impact the way they do business and as such is an important factor in how many of the questions in this survey are addressed. A majority (59.3%) of respondents represented clubs that were Not-for-Profit/Tax-Exempt. A bit more the 23% were taxable not-for-profits and the remaining 17.4% were for-profit, taxable clubs.

Part II - Accounting and Sales Tracking

The first series of questions addressed several aspects of how the responding clubs manage their accounting and track sales within the club. There are many directions that would have been interesting to pursue, however in the interest of brevity, the choices were limited.

Accounting Methods

84% of those responding stated that they used some form of club-specific accounting software, such as those packages represented by companies such as ClubTec, Jonas, CSG ad the like. Custom software and commercial packages (QuickBooks, Peach Tree, etc.) tied at under 4%

each, however a more detailed look at the "other" category reveals that several of those actually fit into those listed above; however their total numbers do not significantly increase the impact of any one of the remaining categories. Interestingly, one club did admit to its continued use of an old DOS version of a club package. This is a change from an informal survey of several years ago where a group of club managers attending a conference session were asked how many still ran DOS accounting programs. At that time, nearly 30% of those present admitted they still used such programs as their primary accounting systems.

Point of Sale

The next two questions addressed the use of technology to track sales in the Pro Shop, and Food and Beverage departments. Point of Sale (POS) computers which had direct ties to accounting were the largest group (68.9% in the Shop and 72% in F&B). Hand-written Chits were still being used in 6.3% of golf shops and 7.5% of F&B facilities. The use of a specialty-specific POS system was used more than twice as frequently in F&B (14.7%) as in sport shops (6.3%). A generic POS system was used more frequently in the sports shop (6.7%) than in F&B (4.2%).

Reporting

Allowing for multiple answers, the next question intended to see to what degree the reporting capabilities were being utilized. 86.1% of respondents provided frequent Year to Date (YTD) budget reports to management, department heads and /or club leadership. This was followed in frequency by Daily or Weekly Sales (78.5%), and labor reports (73.4%). Somewhat less than half (43%) provide a report on purchases. Provision was made for "other" entries, which included cover counts, trend analyses, cost analyses, departmental comparisons and others.

Part III – Member Relations

In the past several years, there have been a number of improvements and initiatives to make use of the Internet, email and other online technologies with the goal of better contact with the club member. The old "captive audience" theory of club membership is really no longer valid, in that there is a significant increase in competition for our members' disposable income. The average club is coming to realize that in addition to letting the outside world know more about the opportunities for membership available at the club. However this also must extend to the current members as well; their busy lives demand a lot of attention from a variety of sources. The club is often viewed as a haven from the standard hustle and bustle of daily life, yet in order to maintain usage levels, clubs must "market" to there members as well. This process is referred to as "internal marketing" and it is utilized with greater frequency in successful clubs.

Newsletters and Beyond…

Respondents were first asked to identify which of several statements most closely reflected their club; they were allowed to choose all that applied. Not surprisingly, nearly three quarters (74.3%) said that a traditional, printed newsletter was sent monthly to members.

Nearly half (47.7%) said they had a web site that provided information to the public and included a private side for members interactive features. Capabilities today include online reservations for dining and events; online newsletter; online member bill review and many others. 37.1% said their web site had public and private pages, but no interactivity, and 8.4% said they were planning to post a web site of some kind in the coming year. Responses in the "other" category included a quarterly newsletter, a letter from the President and admission that web development was in the early stages.

Respondents were next asked about the most frequently used methods of communication with members. Not surprisingly, the largest segment (94.1%) still uses flyers and posters within the clubhouse. This is followed closely by email at 92.4%; this figure is up significantly in the past few years, hen generally less than a third of clubs used email at all. Statement stuffers are still used by nearly 85% of respondents, followed closely by targeted mass mailings to members or groups of members within the club at 79%. Slightly more than 73% said they have events listed on their web site and those event listings are updated frequently. Other methods reported include closed-circuit or community TV; remainder calls; cart notes; message on hold; seasonal brochures; staff training and table toppers.

Tracking Communication

A significant lesson taken from marketing to prospects is keeping track of communications and analyzing the data gleaned. By following communications, one begins to see patterns that become important to future efforts. The method of tracking and follow up ranges from simple note cards (the original database) to Outlook and other, more sophisticated contact tracking systems such as ACT! or Goldmine. As the availability of high speed or broadband internet access has increased, so too have the online options, à la ***salesforce.com***, etc. A number of vendors to clubs have provided similar capabilities through modules related to the club web site or their accounting program. This is significant in that it provides a way for information to be shared among disparate users and provides management and club leadership with a powerful tool to analyze their current efforts and provide insight into direction for the future.

Another example of a useful tool is the one used to conduct the very survey about which you are currently reading. The survey is hosted online by surveymonkey.com; a service that provides survey creation and analysis tools for a monthly fee of only $20. With it, you can develop a survey, with a significant number of options, enter a list of desired recipients and send an email or create a link to send with your own email. Results can be analyzed using available tools or the information can be exported for further dissection by more professional analysis tools from SPSS or SAS and others. These represent only a few of the options available today.

In the final question of this section, respondents were asked to tell us about the methods used to track communication with their members. The largest group (56.9%) represented those who used their email client, such as Outlook to keep track of their communications. While this can certainly serve as a repository, searching and analyzing anything can be tedious at best. 48.9% used a database that was integrated with their accounting. This is proving to be a more common solution, especially as these modules gain additional functionality to provide similar dedicated contact managers such as ACT! or Goldmine, which came in dead last at 7.5%. 32.2% used integrated website management tools and 17.8% used a separate member database altogether. Of those choosing "other" methods, more than 2/3 said they do not track communications with members at all.

Part IV – the Future

The final section of this survey asks three questions regarding the state of the respondent's club and their vision of the near future. The first asked which of several components are being considered for implementation or upgrade in the coming year. Nearly 45% responded that they intended to add or upgrade to a web site with interactive components for member use. The second highest total of all choices at 27.8% was “None of the above”. However in a virtual heat for third at 21-22% were Point of Sale (POS), Member Management Software and Accounting software. Respondents were also provided an “other” selection, to which 11 responded. These items included the addition of Wi-Fi (wireless internet access); expanded capabilities for more automation in the Pro Shop; Business Intelligence software to pull information from various sources and provide in-depth reporting; online tee time reservations and tracking; option to send newsletters by email and online statements for members.

Next, respondents were asked: *What one bit of technology do you feel you lack that would improve your club operation?* As an open ended question, this brought a number of different responses; however the most consistent were those addressing an upgrade to old computer equipment/software; better inventory control; upgrading of the website with more interactive components; better POS, with wireless remote entry; card swipe or biometric capabilities for access and timekeeping; data mining/business intelligence software; better communications equipment for the clubhouse and course, and many others. Several mentioned that they were looking forward to getting away from antiquated computer and accounting systems.

Finally, respondents were asked to look further out and define what piece of technology for clubs that they would like to see implemented or improved in the next five years. Not surprisingly, many of the same answers as listed in the previous question were cited; however there was a distinct preference for several categories, which we believe to be telling. Perhaps those who create and sell such products will take notice?

One of the largest areas identified include the improvement of data mining and business intelligence software. To date, this has been notoriously expensive and difficult to use; however it can be enormously useful, especially for clubs with larger or changing member populations. Identifying key demographics within the membership can provide a great deal of information that will assist in the improvement of service to those members as well as provide valuable information about which folks make the best members for your club. This can be very useful when deciding how best to market the club. Even better reporting capabilities, if used, can provide a significant amount of information.

The next most popular items related to improvements in POS technology. Properly implemented, this allows a clubs servers to spend more time doing what they do best; taking care of your members! Poorly designed or implemented systems cause frustration and actually impede good service. Understating both your membership and your staff will assist in selection of an appropriate system.

Improving the technology used to communicate with members is another broad category, which includes use of the Internet and Web, email and other systems. Too many view this as something that has to be used by all members to be effective; however it is really more about providing options so that all members can identify those components that are easiest for them to use. This will not be the same for all. Many clubs are considering the discontinuation of printed newsletters in favor on online counterparts; while this may indeed represent some small cost savings, it may also represent the loss and alienation of some members who actually *read* the newsletter (I know; they are fewer every year!).

Some clubs mentioned they intended to begin using flat screen monitors to provide information instead of flyers and posters; in some situations, this could be of great benefit, but at what cost?

Summary

The gist of this survey is that the industry recognizes it has a ways to go to “catch up” to the rest of the world in terms of technology. Some feel that unless the members request it, they don’t need it. Others recognize that by the time members start asking, you’re already behind the curve. The best place is to understand the state of the industry as well as the needs of your membership and find that happy balance between cost and service.

While isolated, there were a few telling comments directed at vendors of technology; they must be more responsive both in terms of features and support. However, the users of this technology must also recognize that this is a specialized, niche industry and improvements come at a cost. The vendors must see a return on their R&D investment in order to plow the kind of money into creating the features that some clubs desire. Too often, we tell vendors that we need a new system, only to ask them to change their product to more closely resemble the one we are getting rid of! There has been a fair amount of consolidation among providers of technology products and services, which should lend some strength toward justifying improvements for which clubs are clamoring. Only time will tell the ultimate tale!

While the survey is not precise in its use of science to analyze the result, it is certainly a window into the hearts of club professionals regarding their use of technology. There are as many unanswered questions as were asked; perhaps future follow up surveys will address those questions.