



WHAT'S ON THE HORIZON FOR PRIVATE CLUB TECHNOLOGY?

*Eight trends that will
continue to have an
impact on the industry*

By Bill Boothe

The word ‘trend’ has two conflicting definitions. According to *Merriam-Webster*, trend is defined either as “to extend in a general direction: follow a general course” or “to veer in a new direction.” When we consider the current and future state of technology in the private club industry, a number of trends can be observed. Some have been occurring over long periods of time, and so they fit the first definition. Others conform to the second definition, since they are new and represent significant changes in how technology is being deployed.

Our ongoing work with many clubs provides an opportunity to observe long and near term developments in the industry. For this article we’ve chosen eight of the most prevalent technology trends — three established and five new — to present and explore.

Established Trends

Single Source Software Providers. This is the longest running technology trend in the private club industry. For more than 15 years, software companies have been offering enterprise solutions that include the core applications needed by most private clubs: membership, accounting, POS and inventory. And those companies have continued the trend in recent years by adding modules such as catering, spa/fitness, reservations, web site and eMarketing. While the club industry has become accustomed to this convenient arrangement, the rest of the hospitality industry continues to chug along with a ‘best-of-breed’ approach that cobbles together disparate systems from a variety of sources. The advantages of single source are obvious: strong database integration, superior management reporting, elimination of problematic interfaces, consistent operations across multiple modules, reduced cost and ‘one throat to choke’ when it comes to software support. We look for this well-established trend to continue as single source providers add more functionality over time.

Software Subscription Plans. The first thing you should know about software subscriptions is that they are unrelated to SaaS (Software as a Service) or the hosting of your club’s software by a third party. A subscription is simply a payment method for the use of the software — nothing more. All of the major club management software companies offer subscription plans, and none of them require that your software be hosted externally (although they do offer that service as an option — to be discussed later).

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8 Club Technology Trends That are Here to Stay

ESTABLISHED TRENDS

Single Source Software Providers: Club software companies have long been offering enterprise solutions that include core applications, and continue to maintain robust products by developing new modules.

Software Subscription Plans: Simply a payment method for the use of the software. While this type of option has been around for some time, its popularity has risen due to the economic downturn.

Online Reservations: Tee time reservations got this trend started more than a decade ago, and online reservations have expanded ever since to include dining, club events, courts and fitness/sports activities.

NEW TRENDS

Member Smartphone Access to Club Resources: Members expect to use their mobile devices to access the club's web site, manage their accounts, check the calendar and make online reservations.

Social Networking: Many clubs have launched social networking platforms exclusively for their members. Most clubs are using Facebook, but others are shifting their attention to club-specific sites.

Member Communications Position: Dedicating a part or full-time club employee to focus on application software, business intelligence, data mining and member communications.

Positioning Technology as a Member Amenity: The newest amenities for private clubs are member-centric technologies that enhance the member experience by meeting important communications needs.

Cloud Computing: The core concern with a hosted environment is its vulnerability to service interruption. Providers are now working to improve the reliability of Internet connections using redundancy and resiliency.

capital dollars. (Some items to watch for with subscriptions: make sure you understand the details of the contract, and that you negotiate a cap on annual price increases for at least the first five years of the agreement.)

Online Reservations. Tee time reservations got this trend started more than a decade ago, and online reservations have expanded ever since to include dining, club events, courts (tennis and other racquet sports), hotel rooms and fitness/sports activities (classes, clinics, lessons). As members have become accustomed to making all sorts of non-club reservations online, the pressure has ratcheted up to provide that same level of service for club amenities. Clubs are adopting online reservations at a brisk pace, and member reaction is positive. (Note of caution: many of these applications are recent additions by the software providers, so be careful to perform solid due diligence before buying.)

New Trends

Member Smartphone Access to Club Resources. Some clubs seem not to understand that their members really are just like the general population — at least those that are relatively well-off financially. Research shows that nearly half of all 'affluent' adults age 65 or older own a smartphone, and use it on a daily basis to access the Internet (*source: Flurry Analytics*). Members expect to use their mobile devices to access the club's web site, manage their billing accounts, check the club calendar, make online reservations and contact other members. In essence, members want to do everything on their smartphones that they can do on their home PCs. Fortunately, all of the major club web site providers now offer a mobile view of the web site. During a recent national club industry conference education session, about a third of the clubs attending said they had deployed a mobile view of their web site, with positive reviews from their members. According to the vendors, adoption of the mobile view is growing rapidly, and the feature set

The popularity of subscriptions has skyrocketed as a result of the recent economic recession, with clubs being attracted to a 'pay over time' approach in place of a traditional acquisition involving large up-front payments. An informal poll of club software providers showed that more than 80

percent of all acquisitions made in 2012 were through a subscription. You might believe this concept to be new, but software companies have been offering 'leasing' arrangements and various payment plans for decades. Just recently private clubs have shown interest as the recession has dried up

being offered by the providers is expanding to meet the growing expectations of club members.

Social Networking. Private clubs have always been about members enjoying the company of others of their own choosing. So it might seem a bit out-of-place for club members to be clamoring for social networking — which is well-known for its lack of privacy and questionable security. Here’s the difference. Members want the best of both worlds — ‘private’ social networking exclusively with other members of the club. If you think your members aren’t interested in this concept, think again.

A number of national studies have shown that a majority of ‘affluent’ individuals, especially those over the age of 65, are engaged in social networking (mostly on Facebook). One recent study found that more than 70 percent of those over 65 lead lives that are “heavily intertwined” with technology (*source: IAB*). In response, many clubs have launched social networking platforms exclusively for their members. Most clubs are using Facebook, but others are shifting their attention to club-specific sites — either from their web site providers or from stand-alone products developed specifically for private clubs. (Some cautions: when implementing any social networking solution for your club, be certain that it provides iron-clad security, and that you are able to monitor/control the content posted by the members for suitability.)

Member Communications Position. Clubs are adding new technologies at a blistering pace. But are these clubs staffed to properly manage the new applications when they come online? In most cases, the simple answer is ‘no.’ Interactive web sites, online reservations, e-marketing and e-communications, social networking, business intelligence and data mining — all require professional expertise to manage effectively. Most clubs are either shoving these responsibilities onto their IT professionals (if they have them), or spreading the responsi-

bilities across several other employees in an effort to get the work done. But those employees are plenty busy with their ‘regular jobs’ and are neither qualified nor readily available for the substantial work associated with the new responsibilities.

A better solution is provided by a part or full-time club employee who is professionally qualified and dedicated to the job. This is a new position with a focus on application software, business intelligence, data mining and member communications (rather than on hardware, network troubleshooting and equipment maintenance — the normal areas of expertise for an IT professional). And in case you were thinking that the person currently creating the club’s newsletter might be a candidate, think again. This is a job for a true professional trained in relational database management and electronic communications. In a recent informal survey of clubs attending a national club industry conference education session, more than a quarter of the clubs said they had recently added this new position, that they were glad they did, and that the addition had taken their member-centric technology to levels they never could have achieved with existing staff.

Positioning Technology as a Member Amenity. Enhancing the member experience. Adding value to the club’s membership. Surpassing member expectations. These and other buzz phrases influence the current discussion in private club circles. It’s all about building loyalty to retain members, and building a brand that signifies value for prospective members. Historically the concept of an amenity has been known as something physical, tangible. That concept is changing. The newest amenities for private clubs are member-centric technologies that enhance the member experience by meeting important communications needs that society — and your members — have recently acquired. And here’s the best part: cyber amenities cost almost nothing compared to the physical amenities that have domi-

nated club life for generations.

Member-centric technologies include interactive member web sites, member social networking sites, mobile access by members to the club’s web site and social networking sites, wireless Internet access for members and guests at the club, and member technology centers in the clubhouse to accommodate member/guest mobile and portable devices. Many clubs have shied away from adding these amenities, citing that “only a portion of our members would use these services, so we can’t afford to make the investment.” Really? And what club doesn’t have amenities that only a few members use? A majority of club members are ‘tech savvy’ in the Internet, social networking and mobile devices. Our observations show that member-centric technologies are quickly being added at minimal cost, providing significant value to the member experience.

Cloud Computing. Another technology that has been around for many years, cloud computing (external hosting of the club’s software and databases) is relatively new to the private club industry. Cloud computing promises to reduce costs, increase data security, improve remote access for staff working at home or on the road, and simplify software updates. But many would argue that all of those benefits can be derived by a well-managed on-premise network. That argument misses the point.

The core concern with a hosted environment is its vulnerability to service interruption — for minutes, hours or days. Providers are working hard to improve the reliability of Internet connections using redundancy (two separate Internet connections) and resiliency (storing a copy of the database locally for use in an emergency). Regardless of the merits of cloud vs. on-premise, a very early trend toward the cloud is appearing in clubs. This is a trend that merits watching. If it proves reliable, we would expect to see clubs begin a slow, but deliberate migration to the cloud. ■