

CLUB TECHNOLOGY RESOURCE NEEDS

What Clubs Want to Know

By Tanya Venegas, Jessica Howton and Jackie Abrams

With the rapid advancement of technology, many private clubs are challenged to keep pace — let alone get ahead of the curve. As an increasing number of private clubs consider their technology needs, taking into account everything from computer systems and software upgrades to technology-based member services, it becomes obvious that the technological landscape that private clubs must navigate is more complex than ever before.

The Task Force

In order to take a closer look at technology use in the private club industry today, the National Club Association (NCA) joined forces with HFTP to create a task force to assess the situation. The NCA-HFTP Technology Task Force, comprised of club and hospitality industry professionals including club technology consultants, accounting and finance executives and club managers, has been conducting research to help define the current state of club technology use in the club industry. This data will be used to help develop information and strategic planning guidelines for education and advancement in the private club technology field and to determine future technology trends and needs in the club industry.

In order to understand how clubs use technology, the NCA-HFTP Technology Task Force and the HFTP Research Institute worked together to develop a survey, distributed via e-mail, to the membership of both associations in April 2011. Of the approximately 1,550 members who received the survey, 217 members from HFTP and NCA responded.

Technology Challenges: Where Clubs Want Help

#1 Need: Guidance on use of electronic communications

A key finding that emerged from the survey was a demonstrated need for information on electronic communications. All but the largest clubs (800 or more members) identified electronic communications, such as club web sites, e-mail, social networking and text messaging (listed in order of identified importance), as critical areas of information need. The largest clubs, along with city and athletic clubs, ranked club software as the most important area about which they needed information, but electronic communications came in a close second. Other areas of information needs, in rank order of priority, were software, overall IT management and systems hardware.

Top Private Technology Challenges

1. Electronic Communications
2. Software
3. IT Management
4. Hardware

E-communications

Top areas of information need

1. Club Web Sites
2. E-mail
3. Social Networking
4. Text Messaging

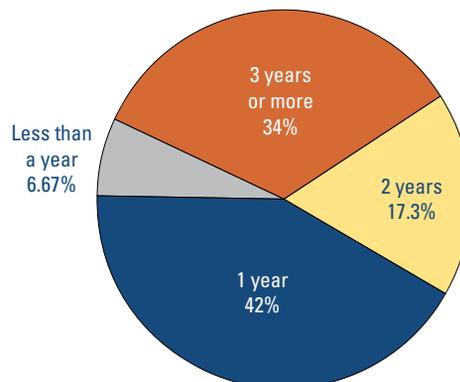
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Not surprisingly, given the nature of their club culture, city clubs ranked social networking much higher in importance than did other club types, putting it at the top of their list of electronic communications issues. Social media is fast becoming one of the most popular areas of communication expansion. In the past several years, consumers across the board have become increasingly interested in mobile connectivity — integrating and syncing their personal communications from all of their various devices — and this trend isn't showing any signs of slowing. As smart phones and tablets continue to proliferate in the marketplace, members will become more accustomed to constantly having information at their fingertips, no matter where they are or what they're doing. Of course, many will likely expect their club communications to be accessible 24/7 as well.

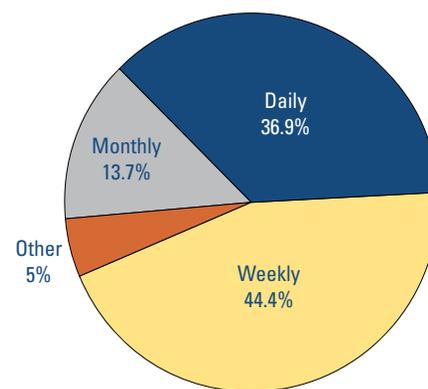
Club Web Sites: Frequency and Use

Web site use has been a growing trend within the club industry and the survey indicated that the majority of clubs responding (98 percent) currently have a web site. What was surprising is that there are still some clubs (2 percent) that don't have a web site at all. Some clubs were early adopters of Internet technology, and among club web sites, 62 percent have been active for six or more years. Twenty-nine percent of clubs have had their current web sites for

How long has it been since clubs redesigned their web sites?

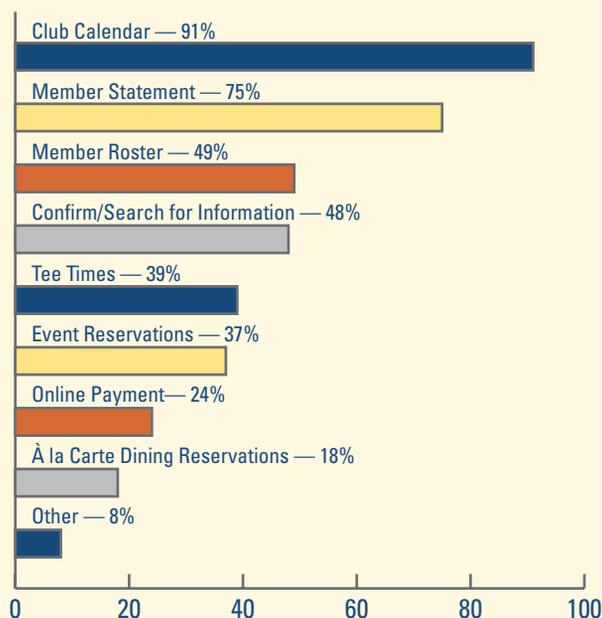


How often do clubs update their web sites?

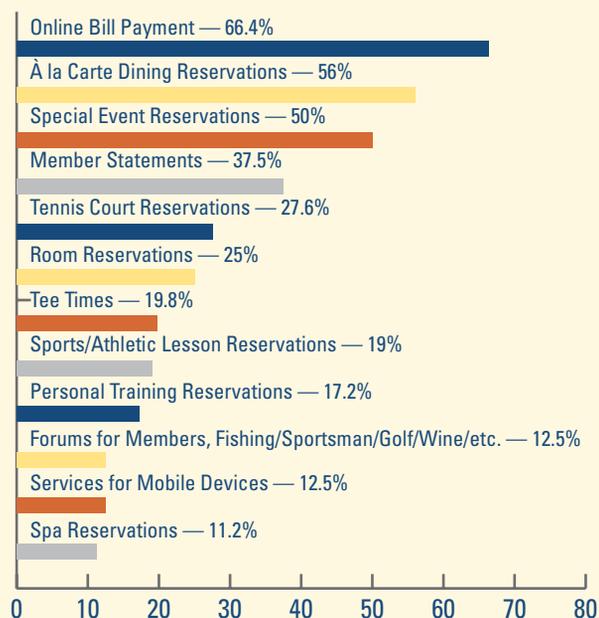


25 to 50 percent of club members use their club's web site.

How club members use club web sites



Web site functionality



Note: Bar graphs reflect instances where clubs were able to select multiple responses.

three to five years, eight percent for one to three years, and one percent for less than one year.

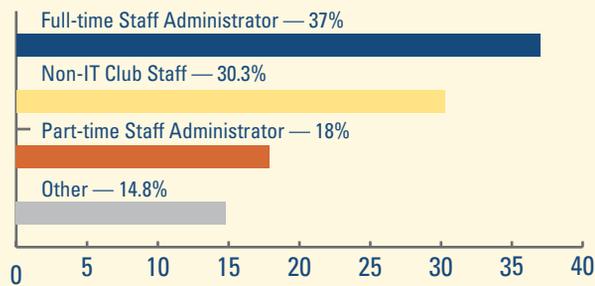
Not only have clubs embraced the creation of their web sites, they're doing a good job of keeping them updated as well. Nearly half of the respondents indicated that their club's web site underwent a complete redesign less than two years ago. Forty-four percent redesigned their web site between two and five years ago with the remaining 7.3 percent having undergone a web site redesign more than six years ago.

There's more to web site upkeep than an occasional redesign. Participating clubs were also asked how often information on their web site is updated and who maintains the content on the club web site. Forty-four percent said they update their web site on a weekly basis and 37 percent update their sites daily. A smaller percentage of clubs (14 percent) only update their sites monthly.

Regarding those responsible for web site updates, the most common response from clubs was a full-time staff administrator (37 percent of respondents). Almost as common, 30 percent of the respondents indicated that web site maintenance was handled by non-IT club staff. Eighteen percent of respondents have a part-time staff administrator who maintains the web site, and 15 percent indicated that the task was handled by others in the club, including communications staff, other department managers, directors of marketing/membership, general managers or even members.

When clubs don't have a director of communications on staff or other staff to manage the web site and digital communications, outsourcing may be a viable option. Twenty-eight percent of U.S. businesses are now outsourcing many of their web communications according to the *2011 Social Media Marketing Industry Report* — almost double the percentage of those outsourcing last year. The three areas most likely to be outsourced were design and development, content creation and analytics.

Who maintains the content on the club web site?



Clubs were asked to indicate how they manage content on their web site and what reports they utilize when analyzing club web site statistics and metrics. The percentage of clubs using a web site provider to manage their content and those who don't purchase content management from an outside source was roughly the same. The majority of clubs analyze their web site use by monitoring overall traffic (72 percent), pages most visited (71 percent) and levels of e-mail — sent, received and read (65 percent).

Member use of club web sites was predominantly for checking the club calendar (91 percent), accessing their statement (75 percent) or the member roster (49 percent), or searching for club-related information (48 percent).

In addition, clubs also have on-site computers available to provide members with Internet access (83 percent), and 75 percent of clubs have a formal business center for member use.

Other Significant IT Concerns: Keeping Clubs Running

As noted earlier, an interest in information on club software ranked second among clubs responding to the survey. Specific areas of interest for information on software included, in rank order, club management programs, human resource/payroll/timekeeping software, server operating systems, purchasing and inventory software, and grounds and facilities maintenance programs. With regard to IT management, clubs needed more info on Internet policies and procedures, and IT planning, hardware maintenance and IT training and staffing.

53 percent of clubs reported that they expect to spend the same portion of their operating budget on technology in 2011 as in 2010.

Software

Top areas of information need

1. Identifying Appropriate Software
2. Evaluating Software
3. Learning/Supporting New Software
4. Software Licensing Issues

Hardware

Top areas of information need

1. Firewall/Internet Access
2. Wireless Technology
3. Network Security
4. Servers
5. POS Hardware
6. Mobile Devices
7. Desktop Hardware
8. IP Telephony

IT Management

Top areas of information need

1. Internet Policies and Procedures
2. IT Planning
3. Hardware Maintenance
4. IT Training
5. IT Staffing

Social Networking in America Today

The number of people using social networking sites since 2008 has nearly doubled and has also grown older. Of American adults surveyed, 79 percent indicated that they regularly use the Internet, and of those, 59 percent reported that they use at least one social networking site. The study also shows that the average age of those who use social networking sites has increased to 38 (up from 33 in 2008), and more than half of all users of social networking sites are now over the age of 35.

The Pew report shows that the majority of people use Facebook (92 percent), though LinkedIn (18 percent) and Twitter (13 percent) have also gained in popularity. Despite the overall reports of social networking site use, people are far more likely to actively engage with Facebook (52 percent of users) and Twitter (33 percent of users) every day than are those who use LinkedIn (6 percent). This is true for private clubs as well. Sixty-seven percent of clubs using social media are using Facebook, as opposed to Twitter (32 percent), LinkedIn (25 percent) or other social media sites (25 percent) as reported by VCT Corporation's 2011 Club Communications Survey.

Source: June 2011 Pew study, *Social Networking Sites and Our Lives*.

Hardware was also an area where clubs indicated the desire for additional resources, and survey respondents identified a need for information specifically pertaining to firewalls and Internet access, wireless technology, network infrastructure, servers, POS hardware, mobile devices, desktop hardware and IP telephony (listed according to order of interest indicated by respondents).

When clubs were asked to indicate the single biggest IT challenge they face at their club, answers covered a broad range of topics. The most cited challenges were a lack of technology funding (for both systems and staff), difficulty in evaluating and selecting appropriate software, and the challenges of new software implementation and training.

Technology Spending

Many businesses, including clubs, are challenged by the costs to implement and maintain an up-to-date IT system. Clubs need to provide funding for everything from hardware and systems upgrades and replacements to new software and IT support. The survey took an in-depth look at how clubs have structured their IT systems, how they are spending their IT budget and what they intend to spend in the year to come.

IT Management

Oftentimes, it's very expensive to have a fully trained, in-house IT staff, especially when clubs may not need their expertise every day. Accordingly, most clubs (68 percent) outsource their IT work by contracting with outside tech support companies. Aside from outsourced assistance, the use of dedicated on-site IT professionals is minimal: only 20 percent of clubs employ one or more full-time IT professionals and five percent of clubs employ part-time IT staff. The remaining 25 percent of respondents reported that another employee, such as the controller or clubhouse manager, has responsibility for the club's IT needs in addition to their other job functions.

Club IT personnel, regardless of their skill level, are in charge of overseeing a large group of personal computers, including point of sale stations. Clubs most commonly

Biggest Private Club IT Challenges

1. Finding efficient, timely and cost effective IT support and maintenance
2. Lack of dedicated IT staff
3. Keeping up with new technology
4. Integrating different programs, technology and tools within one comprehensive system

reported that they had 16 – 25 computers on site (35 percent). Clubs with 26 – 50 computers were slightly less common (25 percent), followed by those having 15 or fewer (21 percent), and finally, by those having 51 or more (19 percent).

Budgeting Technology

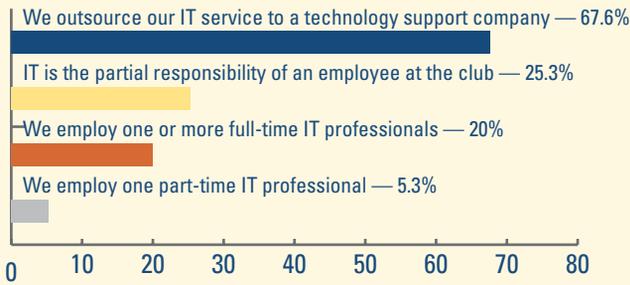
Even though the economy is still struggling, technology is advancing at an astounding rate, and the survey sought to determine whether club technology spending would increase accordingly. A slight majority of clubs (53 percent) reported that they expect to spend the same portion of their operating budget on technology in 2011 as they did in 2010. However, other clubs are forging ahead with plans to expand IT spending. Almost 39 percent of respondents plan to spend more of their operating budget on IT needs this year, while only eight percent plan to decrease IT spending for operations.

For capital budgeting the responses were even more positive, with 42 percent of the respondents planning to increase their technology purchases in 2011. Interestingly, many of the smallest clubs intend to increase IT spending in both their operating and capital budgets, perhaps due to the fact that spending levels had been reduced in the past and they anticipated catching up this year. Improving technological efficiency can also help lessen the burdens on a small staff and tangibly increase productivity.

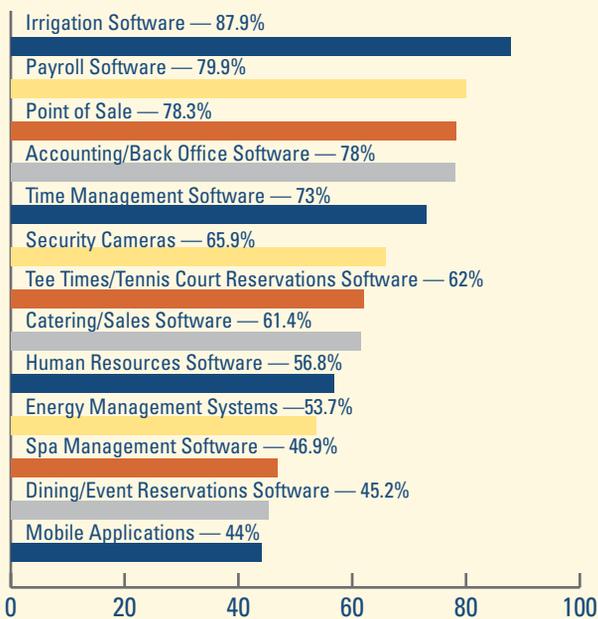
Technology Investments

When clubs do plan to increase spending, where do they invest the money? As new technology trends are widely integrated into business systems, clubs are carefully

IT Staffing



Software Most Used by Private Clubs



selecting which areas to allocate increased levels of funding. Many clubs know that in order to maintain a complex IT system, they need to have knowledgeable, well-trained staff in place to manage it. Of those clubs that planned higher IT spending in their operating budgets, more than 90 percent said they would spend the newly allocated funds on IT staffing, training and consulting. Other top areas of expenditure were club web sites, club management software, new or updated software applications, and club and member networks.

For those clubs that expect increased IT spending in their capital budgets, 70 percent foresee the funds being allocated to IT infrastructure improvements (cabling, desktops, servers, etc.). Other top items on the capital budget agenda were wireless technology, club and member networks, and new or updated applications and club management software.

The Technology Lifecycle

Rapid technological advancement, combined with planned technological obsolescence, ensures one thing: technology systems do not last forever. Clubs were asked to list which technologies they currently use and whether they have plans to upgrade or replace any elements of their technological infrastructure. Interestingly enough, most clubs did not have plans to upgrade/replace much of their technology.

Irrigation software was the most widely used technology cited in the survey (88 percent of respondents) and most clubs have no current plans to upgrade or replace it in the near future (possibly because they have done so already). The majority of respondents also cited use of payroll software (80 percent), point of sale systems and accounting/back office software (78 percent use both), and tee time/

90+ percent of clubs planning higher IT spending in their operating budgets will spend allocated funds on IT staffing, training and consulting.

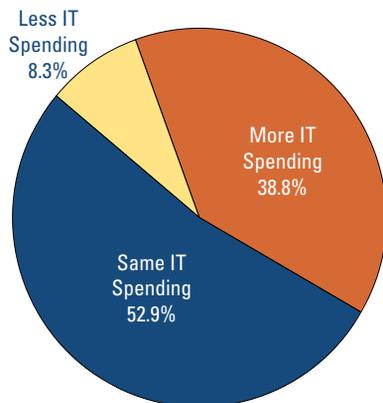
Technology Use by Affluent Consumers

Affluent consumers are becoming increasingly intertwined with technology, and the Internet has been fully integrated into their daily lives. A 2011 study of affluents and digital media reported that affluent consumers were highly receptive to digital communications. Seventy-nine percent of affluents surveyed, including 70 percent of those ages 65 and over (one of the largest demographic segments of club members), lead lives that were integrally intertwined with technology. Though affluents are generally hardest to reach in terms of communications, since they watch less TV and listen to less radio than average consumers, they are surprisingly the easiest to reach in digital media. Affluents are the heaviest users of digital media, spending an average of 26 hours a week online, compared to the general population, which spends an average of 22 hours on the Internet.

Source: 2011 Study of Affluents and Digital Media, IAB and Ipsos Mendelsohn.

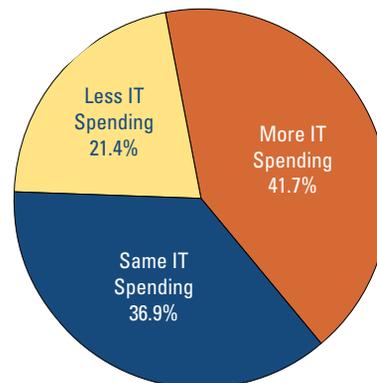
Club IT Spending in 2011 vs. 2010

Operating Budget



Club IT Spending in 2011 vs. 2010

Capital Budget



tennis reservation software (used by 62 percent). Areas being considered most frequently for upgrades were dining/event reservations software and mobile applications (both 19 percent). Spa management software, though used by slightly less than half of the clubs responding, was most likely to be added or replaced in the near future.

System Security

Technology is a valuable investment in and of itself, but the member data that clubs keep on file is often just as precious. Club networks are becoming increasingly popular as targets of cybercrime, and network security is fast becoming a vital area for technology investment across many different industries. Clubs were asked what, if any security measures they take to protect their networks, as well as what measure they plan to implement in the near future. Survey results showed that though almost all clubs protected themselves from major disasters, such as system failures and data loss, clubs must also keep their antivirus software up to date to ensure that they are not vulnerable to new threats. Almost all clubs use antivirus software of some kind (95 percent), though only five percent of clubs surveyed had plans to upgrade this software in the near future. Most clubs (93 percent) also have firewalls in place to help prevent security breaches.

Next Steps for the Technology Task Force

The information gathered in this survey will help guide the NCA-HFTP Technology Task Force in prioritizing its objectives and identifying the information most needed by club industry professionals. The Task Force will continue to research the technology needs of and conduct focus groups to identify additional resources for the private club community. Club leaders will also soon be able to access related educational materials and articles on the NCA and HFTP web sites. For more information, contact task force chairman David Colclough, CCM, assistant general manager at John's Island Club at +1 (772) 231-8510 or colclough@johnslandclub.org.

Where Clubs are Spending More

- Application Software
- Club and Member Networks
- Club Web Site
- Club Management Software
- IT Infrastructure (cabling, desktops, servers)
- IT Staffing
- IT Training
- IT Consulting
- Wireless Technology

