

Technology for Troubled Economic Times

WITH THE WORLD ECONOMY IN THE TANK, FORECLOSURES AND LAYOFFS ON THE RISE, AND CONSUMER SPENDING ON THE DECLINE, IT'S NO SECRET THAT MOST PRIVATE CLUBS ARE ALREADY FEELING THE FINANCIAL PINCH.

The club industry is working overtime to find ways to reduce costs and increase revenue – while still maintaining a high level of member service. Often overlooked in the scramble are some simple, readily-available computer technology features that can help provide some relief. Here are a few for your consideration.

addresses. If there was ever a time to get your email list in shape, it's now.

For every one ounce first class mailing you can make electronic, you will save 42 cents, plus the cost of the printed materials and the envelope. Add another 200 member email addresses to your list and you can save \$100 on each communication with your membership.

If you're still printing and mailing your club's newsletter every month, it's definitely time to reconsider. Your newsletter can be sent via email and/or be posted on the club's website. Strongly encouraging members to opt-electronic will save real



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that they use the statement mailing to send other printed materials to the members (like the newsletter). Maybe it's time to eliminate the mailing of all printed materials by asking for member cooperation in these tough economic times.

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EMAIL

You might be thinking, 'We're already using email – what's left to do here?' Probably a lot. Ask yourself this question – Are we using the U.S. Mail for anything that could be emailed? If your answer is 'No', think again.

Most clubs do not have a complete email address listing for all members using email. Clubs tend to gather that information 'along the way' with no dedicated effort to gather and maintain email

dollars, without compromising the quality or capacity of the club's publication.

If you haven't already, this might be a perfect time to implement electronic member billing statement distribution. It's a standard feature with most club management software solutions, and eliminates the printing, stuffing, sealing and mailing of member statements at each month-end.

Many clubs have resisted going to electronic statements with the excuse

ELECTRONIC GIFT CARDS

This publication is arriving to you after the holiday season, so if your club isn't already selling gift cards, you just missed an outstanding opportunity to increase your revenue stream. However, members purchase gifts for family members, friends and neighbors all year long, so it's never too late to implement an electronic gift card program. This topic was covered earlier in some detail (*BoardRoom, May/June 2008*) so we'll just touch on the highlights.

If you're like most other holiday shoppers, you probably gave some number of gift cards in place of traditional boxed gifts. Even with the recession, total gift card sales for 2008 are still projected at \$35 billion (that's billion, with a 'B'). Your club should be gaining its fair share of that revenue by selling gift cards for restaurant and retail purchases. Here are a few points to remember:

- The camaraderie and friendships between your members are a source of significant gift giving.
- Gift cards are a convenient way for your members to fulfill their gift giving needs, while supporting their club's operations.
- Attractive packaging of gift cards greatly increases their sales appeal.
- Most of today's club management software offers a gift card module integrated with the POS and member billing modules.
- The plastic gift cards can be printed with custom graphics and purchased for about a dollar each.
- Most credit card providers also offer gift card programs (if your club accepts credit cards at POS).

If your club is already selling gift cards, take a look at your packaging and shelf presentation to assure the cards are receiving proper visibility and promotion. If your club isn't selling gift cards, get started right away.

AUTOMATIC CREDIT CARD PAYMENTS

Most private clubs don't allow members to pay their monthly statements with credit cards. Clubs are generally reluctant to absorb the associated processing fees, and often have not configured their billing software to accept credit card payments. Maybe it's time to broaden your perspective.

If your club is experiencing a reduction in member spending, it's probably more because of the prevalent 'hunkering down' syndrome sweeping the globe than a true inability to spend. Members facing a large monthly bill from the club – that

must be paid in its entirety – may tend to reduce their club spending in favor of other venues where they can use their credit cards, that can be paid over time. Here are a few points to consider:

Allow members to pay their monthly club charges (not dues and assessments) with a credit card. This way the club is 'rewarding' purchases in the discretionary spending areas, and not for mandatory payments. Check with your club management software provider on ways this can be handled without creating an accounting nightmare for your staff.

Investigate online payment processing, either through your club management software provider or a third-party provider working in the club industry that allows members to pay designated charges with a credit card, and the balance with a bank check.

Consider adding credit card processing at POS. This can be relatively inexpensive and is easy to use, and can eliminate the potential accounting challenges associated with month-end billing approaches.

USE TARGETED EMAIL CAMPAIGNS

Nothing new here. Targeted email has been available for years now. Still, most clubs don't do a great job of identifying members with specific interests or spending habits, and then directing specific e-marketing pieces to them. If you're still mailing or emailing your marketing pieces to your entire membership, you might want to rethink that strategy. And for tips and ideas on how to best utilize the technology available to you, contact your club management software provider. They have lots of experience to share.

ADD WIRELESS SERVICE FOR YOUR MEMBERS

Ever asked yourself why Starbucks has wireless access in their stores? To sell more

coffee, of course. For your casual dining and snack areas, why not consider adding wireless access for member laptops? The cost to add wireless service in most club areas is minimal and can be accomplished in no time. Especially if your club's membership has a good percentage of members under 50, this concept could be a hit, and encourage members to frequent the club more often.

TARGET THE TOP SPENDERS

A lot of research has been done over the years that shows something interesting: It's easier to get top spenders to purchase more than it is to get low-spenders to increase their purchasing levels. Most clubs are grateful to have top spenders during a recession, and may be reluctant to focus their promotional activities on these loyal and valued members. However, you shouldn't hesitate to market to these individuals. Everybody else is.

TRY SOMETHING NEW

Check around with other clubs and see what they're doing, what's working and what isn't. Pay attention to local restaurant and retail promotions for ideas on new approaches. Hold a brainstorming session with your employees (at all levels) and generate ideas for promotions or special events. Look to your club management software company for ideas and suggestions. Those new ideas are out there, just waiting to be discovered. **BR**

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