Private Club TECHNOLOGY update

Seniors Are Avid Mobile Device Users – Is Your Club Positioned To Capitalize?

The myth that senior members of private clubs are tech-adverse was busted years ago. Today, folks age 65 and older are all over the Internet, using both PC's and mobile devices (phones and tablets). With each passing day, the shift from desktop PC's to mobile devices gains momentum. Recent data from Pew Research Center shows a rapid uptick in smartphone usage by U.S. adults age 65 and older – and a dramatic usage rate of 81% for those folks with household incomes of $75K+ (your members).

Large increases in smartphone ownership among older adults who are affluent, well educated and younger

% of U.S. adults ages 65 and up who say they own smartphones
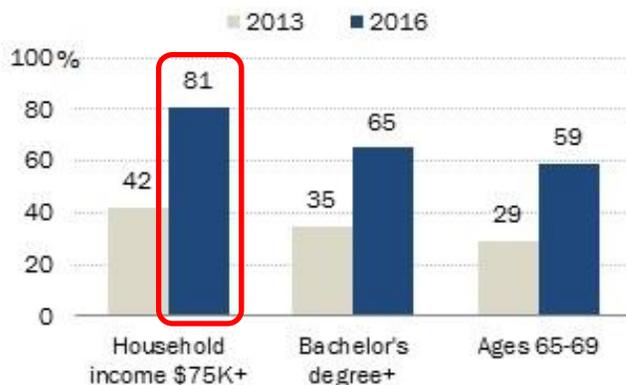
■ 2013 ■ 2016

	2013	2016
Household income $75K+	42	81
Bachelor's degree+	35	65
Ages 65-69	29	59

Source: Survey conducted Sept. 29-Nov. 6, 2016. "Tech Adoption Climbs Among Older Adults"

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Services We Offer
The Boothe Group, LLC provides independent, unbiased technology consulting services to the private club industry, including:

- Strategic IT Planning
- Software Reengineering
- Software Evaluation & Selection
- Network Security Analysis
- Online Technology Education

Mobile Device Users (continued)

That trend is also reflected in the use of tablets by seniors, with a 62% usage rate by seniors with a household income at $75K+ (again, your members.)

So, what can you do to capitalize on this trend in ways that enhance the member experience at your club? First, deploy a mobile app. Your members, no matter their ages, are app-happy with their mobile devices. They use apps to check the news and weather, communicate with family and friends, shop online – you name it, there are apps for it.

If your club does not have a mobile app, your members are stuck accessing your club website on a desktop PC, or on a mobilized version of your site. But both of those platforms are far inferior to an app designed from the ground up for use on mobile devices. Mobile apps provide a myriad of functions for members on a platform that is very intuitive. That means the learning curve is minimal with a well-designed app. Your members will like it, and they will use it.

Among seniors, roughly a third own tablets and a fifth own e-readers

% of U.S. adults ages 65 and older who say they own the following …

	Tablet	E-reader
Total 65+	32	19
Age		
65-69	41	21
70-74	32	23
75-79	28	18
80+	20	13
Education		
HS or less	18	9
Some college	34	24
College grad	56	32
Household income		
<$30K	16	14
$30K-<$50K	26	13
$50K-<$75K	37	22
$75K+	62	37

Source: Survey conducted Sept. 29-Nov. 6, 2016.
"Tech Adoption Climbs Among Older Adults."

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But there's another important reason for your club to deploy a mobile app – text communications. Numerous research studies have shown that 90+% of text messages are read, and usually within 3 minutes. Compare that with an average email read rate of 20% over a much longer period of time. So, when you want to promote events and activities to your members, texting is the hands-down winner. But without a mobile app, texting is either a complicated chore or not possible at all using your club's website or other communications tools. That's one reason there are 19 different companies offering mobile apps to the private club industry – it's the hottest thing going right now in club technology.

Bottom line – if your club doesn't have a mobile app, get one. Your members will be glad you did! (For information on companies offering mobile apps for clubs, with detailed information on the features and costs for each, see our Winter 2017 edition.)

Mobile Tech Notes

Texting has overtaken calling as the most popular mobile function across all generations. (Source: Reality Mine, August 2017)

Age makes a difference when it comes to downloading apps. Centennials prefer Snapchat, Instagram and Vine. Millennials like Tinder and Soundcloud. Generation X looks for apps to watch movies and for travel. And baby boomers? They prefer apps to monitor their health. (Source: BBVA Research, June 2017)
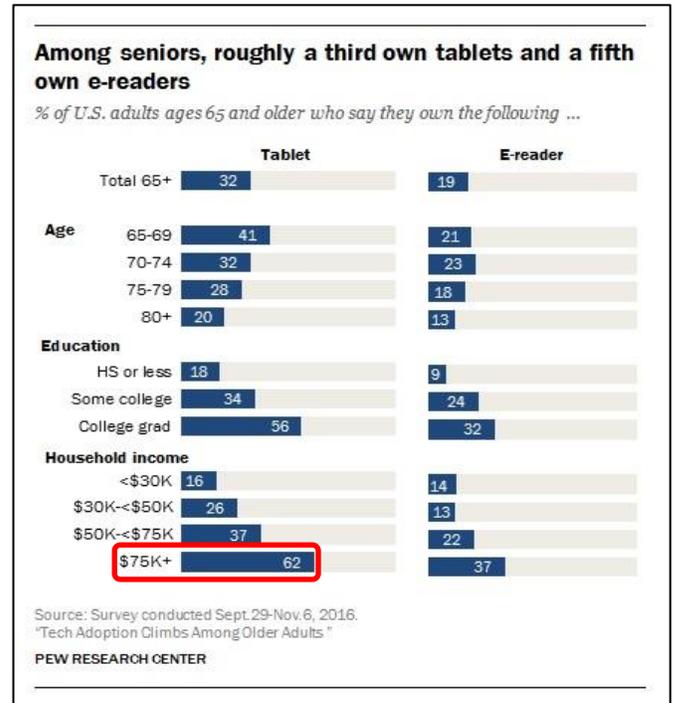
Why Club Managers Can No Longer Be "Out of the Technology Loop"

After working with more than 400 club managers over the past three decades, and speaking with hundreds more at various conferences and industry meetings, I have a pretty good idea of what managers know, and don't know, about technology. And the news isn't good. For the most part, club managers know very little about critical technologies that affect the day-to-day operations of their clubs. Worse still, they are generally unaware of key new technologies that can enhance the member experience at their clubs. Now, many managers might say:

"So what? That's why I have a knowledgeable

- CFO/Controller, or
- In-house IT professional(s), or
- Outsourced IT support company.

It's their job to keep up with technology. Not mine."

20 years ago, or maybe even ten, such a statement could have been true. But no more. The days of club managers depending upon others to understand and manage technology are fast disappearing. For good reason. Today's technologies are affecting the member experience – directly. And if the member experience is in play, the club manager had better be on top of it.

Think for a moment if managers took the same approach to other key club functions as they often do with technology… for instance, the food and beverage operation. How many managers would say "I don't need to know the details of what's going on in the dining room and kitchen. That's why I have an F&B Director and an Executive Chef." Or how about … "Don't bother me with the ins and outs of golf course maintenance. That's why I have a Golf Course Superintendent." Or maybe… "Fitness and Spa? I don't have time for that. Talk to my staff in charge of those operations." Of course, such an attitude is unthinkable for club managers. Those are critical amenities that are important to the members. So, by definition, they must be important to the club manager. And to make good management decisions about those amenities, club managers must be well-educated in their operations.

Then there's technology. For decades it's been seen by managers as a sort of utility (think HVAC, water and electricity). Relatively invisible to the members. As long as it's up and running, no one pays any attention. The idea of technology as a member amenity only surfaced when member websites became the norm in private clubs. In the year 2000, less than 10% of clubs had a member website. By 2008, 80%. Today, 99%. Member websites opened the door to technology as a member amenity. And that website door has continued to swing wide open with a variety of online functions such as reservations (club events, tee times, courts, etc.), access to member billing information and bill pay, timely news and alerts, robust member directories and member-to-member communications, detailed events calendars, and much more.

Over the years many new and important technology dimensions have emerged to compliment member websites. Mobile apps sporting most of the traditional website functions also offer push notifications, F&B "order ahead", member recognition with beacon technology and geo-fencing.

Why Club Managers Can No Longer Be "Out of the Technology Loop" (continued)

Plus, instant SMS surveys of member satisfaction in targeted areas. With sophisticated database queries of member behavior, preferences and buying patterns. And advanced analysis of historical data to predict future member behavior. Add to these new technologies the insatiable appetite for technology by the Gen Xers and Millennials (your members of the near future) and the verdict is clear – club managers must become tech-savvy – quickly.

But what qualifies as tech-savvy for managers? In my opinion, managers should have a good conceptual understanding of the major technologies affecting private clubs. Here's an everyday example of a conceptual understanding vs. a technical understanding. Most of us understand how a photocopier works – conceptually. We understand that we can reproduce printed documents in color or black and white. We know that we can make multiple copies, that those multiples can be collated, and maybe stapled. We know that we have to add paper and toner to keep things going. We know that many copiers also serve as network printers and scanners, and may be able to email documents. And so forth. Essentially, we know what a copier is capable of.

What we don't know is how a copier actually works, from a technical standpoint. We don't know the mechanics of xerography, or how a scanner actually captures an image, or how the paper sorter actually collates pages, or how a computer document is translated into a printed image. And we don't need to know that level of detail. Instead, we must know what a copier can do for us – conceptually – and how that can benefit our operations.

And so it goes with technology in general. Managers must conceptually understand the key technologies affecting club operations and the member experience. Those technologies include:

- On-site computer networks and their associated gear.
- Off-site hosted environments.
- Wired connectivity.
- Wireless systems (WiFi, RF, Laser).
- Telephone systems (which are actually computer systems).
- Peripherals (PC's, printers, scanners, mag card readers, etc.).
- Websites (mobilized, responsive).

In addition, managers must conceptually understand club management software solutions, including:

- Membership database.
- Accounting.
- Dining POS.
- Retail POS and inventory.
- Purchasing.
- Spa and fitness.
- Member websites and apps.
- Reservations (tee times, courts, events, dining, lodging, marina, etc.).
- Blast email communications.
- Business intelligence queries and reporting.

Why Club Managers Can No Longer Be "Out of the Technology Loop" (continued)

Plus, managers must understand other tech issues such as:

- Cyber security (PCI, systems protection and monitoring methods, employee education).
- IT strategic planning and budgeting
- Systems evaluation and selection.
- Software re-engineering.
- Software deployment.
- Up-front and on-going employee education.

Where can managers gain the conceptual knowledge needed? Unfortunately, the private club industry is not well-positioned to educate managers on technology concepts. The leading industry associations offer little in the way of meaningful technology education. Want a detailed knowledge of wines and spirts – no problem. Want to know how a wireless network operates – not so much.

But there are resources available to club managers to expand their conceptual understanding of technology. First and foremost are the IT folks supporting the club's current systems. Whether that's in-house staff or an outside company, those IT professionals should be able to provide a conceptual overview of all key topics listed above. Their tendency will be to go too deep into the details so you will have to remind them that you just need to know the following about each technology:

- A conceptual overview of how the technology operates.
- The general benefits offered by the technology.
- Any club-specific benefits of the technology.
- Any issues or drawbacks to be aware of.
- The general costs associated with the technology – initial and on-going.
- What it takes to manage the technology long-term.

You can also learn more about how tech impacts your club through "reverse mentoring", working with staff members to learn how they currently use technology, and what they would like to use it for in the future.

Finally, you can access publications to gain a basic understanding of key technologies, such as:

> "Digital Literacy for Dummies" by Faithe Wempen, or
> "Is This Thing On?" by Abby Stokes

Unfortunately, publications like those above are focused on consumer technologies – such as smartphone and Internet usage. Publications focused on business technologies tend to be highly technical, and more detailed than club managers need.

The bottom line is this: club managers must have a conceptual understanding of key technologies and procedures in order to make good management decisions, improve club operations and enhance the member experience. Technology is now an amenity – just like dining, golf, tennis, spa/fitness, lodging and the rest. Don't be left out of the technology loop!

Other Opinions: What CEO's Should Know About Technology

"CEOs don't necessarily have to know what goes into building the tech, but they should absolutely have their pulse on how tech is impacting business." Inc. Magazine. April, 2017

"CEOs should be very tech savvy, or if they are not, they should have at least part of their team be very tech savvy." Stephanie L. Woerner, a research scientist at the MIT Sloan School of Management Center for Information Systems Research. March 1, 2017

"I'm not a tech guy. I'm looking at the technology with the eyes of my customers, normal people's eyes." Jack Ma, Chinese business magnate, founder of Alibaba Group, personal net worth $48 billion.

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About Our Services… IT Strategic Planning

This is one of our most popular consulting services for private clubs. We begin with a thorough review of each club department's technology needs—software, equipment and connectivity. Our review explores all facets of technology available to the club. We then evaluate and prioritize each area of technology. Finally, we create a five-year technology implementation plan and budget – to create a roadmap for management to follow over the coming years. For more information on this and other services we offer, visit our website at www.boothegroup.com.