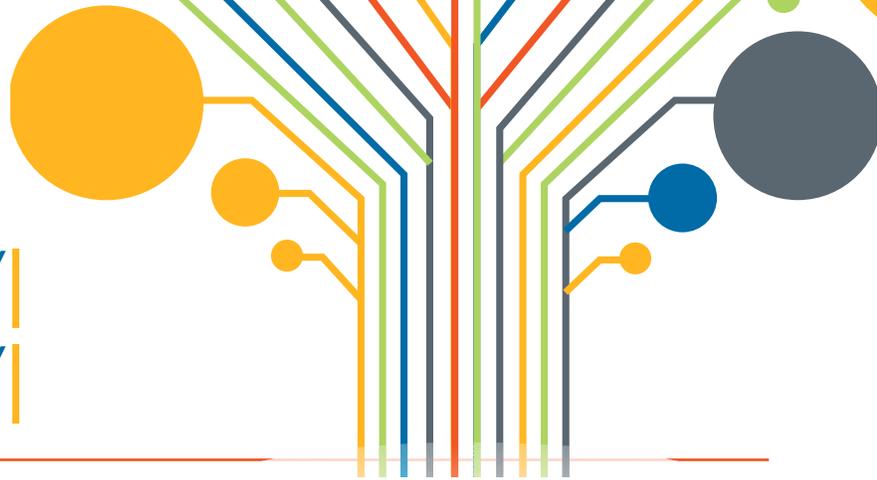


# CLUB TECHNOLOGY REPORT SUMMARY



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In 2017, HFTP commissioned in-depth research on the state of club technology, exploring use, purchasing practices and how much value clubs derive from their current technology. The study was done in two parts, and the following is a summary of the research findings.

## Part I. IT Purchases

The first study, concentrating on IT purchases, was based on a survey sent out in mid-January 2017 and analyzed data submitted by 141 respondents from 21 U.S. states, and seven respondents from outside the U.S.

### The purpose of the survey:

- To explore the importance and satisfaction of the major systems used in clubs;
- To assess if clubs are in the market to update or purchase new systems within the year; and
- To determine IT purchases decision criteria and decision makers.

### 7 Most Used Systems in Club Environment

After consulting with club managers and club IT personnel, the seven types of systems most often used are:

- 1 Content management systems (CMS)
- 2 Point of sale systems (POS)
- 3 Networks
- 4 Websites
- 5 Security and surveillance systems
- 6 Entertainment systems, and
- 7 Computerized accounting systems

### 7 Attributes of Each System Rated

Respondents were first asked if their clubs had such systems. Upon confirmation, their levels of satisfaction and importance of seven attributes of each system were rated:

- 1 Usefulness
- 2 Reliability
- 3 Efficiency
- 4 Ease of Use
- 5 Fun to Use
- 6 Innovativeness
- 7 Value (cost-benefit)

*Ratings summary on following page.*

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## SCORING THE SYSTEM ATTRIBUTES: SATISFACTION, IMPORTANCE AND DIFFERENCE

The respondents were asked to rate the **Satisfaction** and **Importance** of each of the seven systems identified. Using scales ranging from “1” (strongly disagree/not important at all) to “5” being (strongly agree/very important), the average scores of the seven attributes for all seven systems were calculated. In addition, the differences between the satisfaction and importance scores were calculated. Such scores signify areas where improvements are desirable. The following are some highlights from the analysis:

- Across all seven systems, the scores for **“Usefulness” had the highest satisfaction** rating except for the website, which recorded a 4.07 for “Reliability” as its highest satisfaction score. This finding is critical as this supports the idea the vendors are supplying the club industry with systems that club users find to be useful and reliable.
- **“Fun to Use” and “Innovativeness” were the lowest two satisfaction scores across all seven systems.** For CMS and security and surveillance, these scores were lower than 3.0. These scores indicate that there are opportunities for vendors in their research and development efforts.
- Clubs are most satisfied with the “Usefulness” in their Network (4.47) and consider “Fun to Use” the worst in their content management systems (2.86).

## Updates and Purchases

Respondents were asked whether they are considering updating their systems or purchasing a new one in the next year.

	Overall Satisfaction	Update in next 12 months # of clubs	Buy new system in next 12 months # of clubs
Content Management	3.75	20	10
Point of Sale	3.82	20	9
Network	4.16	13	2
Website	3.62	23	10
Security and Surveillance	3.58	9	4
Entertainment	3.92	3	1
Computerized Accounting	3.71	8	9

Note: “1” is “very dissatisfied” and “5” is “very satisfied” for the overall satisfaction scores.

## Decision-making Process on IT Purchases

Rank	Strategies	Scores
1	We are following a clear general strategy in our club	3.85
2	Generally, in terms of keeping up with current IT, our club is innovative	3.66
3	Our club IT department has a strategic plan regarding the use of IT	3.53
4	We are generally cautious in trying new/different information systems	3.46
5	We never buy something we do not know about at the risk of making a mistake	3.36
6	Our club would rather stay with a brand that we usually buy then try something we are not very sure of	3.24

Note: “1” is “strongly disagree” and “5” is “strongly agree.”

## Part II. Technology Value

Following the study in Spring 2017 on the state of club technology and timing of technology upgrades, this study concentrates on the criticality, value creation, usage and performance of club information systems and their features. In other words, this study explores how clubs view technology in helping them to create value for their stakeholders. A total of 139 club executives participated in this study.

The study had four major sections, one for each of the major systems used in clubs. These systems were also the most important ones to the accounting and technology professionals. Within each, the unique system features for each were identified:

- CRM
- Accounting
- Website and
- Security

For each of these four systems, four series of questions were asked:

- The level of criticality of the features to the mission of the club,
- How such features add value to the club,
- How often were the features used by the clubs, and
- Whether the performance level of such features lived up to the expectations.

### VALUE SUMMARY: CRM

POS, membership management, event/catering and dining reservations had the smallest gap-scores between usage and criticality. Thus, these four features were meeting the demand. Yet the performance scores of all four were slightly lower than the usage, and this is where vendors can contribute value to the clubs to eliminate the gaps.

### VALUE SUMMARY: ACCOUNTING

For the 11 features in the accounting systems, the usage scores and criticality scores are very close in eight. And for financial dashboard and fixed asset management, the performance scores were higher than the usage scores. Therefore, these two features were performing at a higher score than they were being used. On the other hand, this also showed that the performance scores were not as high as the usage scores in 10 features. Though the gaps were not sizable, again, they indicate opportunities for improvement. It might

very well be that the features were performing and it was training that might be needed.

### VALUE SUMMARY: Website

Of the seven features, all three scores were quite close except social media management and mobile apps. It is a good sign that the performance scores of these two features rated higher than the usage score. This signals that the technology is present and functioning, and it may be a matter of time before the criticality usage scores would increase to meet the performance scores.

### VALUE SUMMARY: Security

The performance scores of all four features in the security system were rated higher than the usage scores. While this is good news, it also showed that clubs might not be using the existing systems to their fullest potential. Thus, clubs and security system vendors may need to visit to ensure the features were used to their maximum capacity.

## Conclusion

With all findings from the two studies on the systems and features clubs use and the timing of upgrades, how can clubs use this information to their advantage? Is the information only good for club owners and management? What about technology vendors?

- 1 First, clubs need to compare their technology profile to the results of the two studies. In other words, if I am a club executive, where does my club stand? Does my club need to upgrade its systems? Tailor the results to the needs of your club.
- 2 Second, once your club's profile is established, look at where your club can improve. Talk to your vendors, read blogs from HFTP or other resources, attend industry webinars Gather information that can benefit your club.
- 3 Then, plan strategically, both short- and long-term. One cannot change everything in a day, nor a month. Technology is not an inexpensive proposition and such capital expenses need to be budgeted accordingly. Rank the most important needs of your club and go from there.
- 4 As for vendors, look at the gaps between criticality, usage, and performance. Sometimes, gaps exist not because of the inferiority of the products, but rather the knowledge and training that are needed.