The

Private Club Advisor™

A Letter to the Directors, Officers, Owners and Managers of Private Clubs

August 2016

Dear Club Executive,

COMMUNICATIONS AND TECHNOLOGY TRENDS… Speaking of collecting data, the Professional Club Marketing Association (PCMA), in conjunction with Clubessential, recently released the Club Communications and Technology Trends Report for 2016. Two hundred and thirty clubs participated in the survey in order to determine how technology is used to engage members and guests.

The following are some of the interesting findings detailed in the report:

Nearly 54 percent of participating clubs accept online dining reservations and 72 percent accept online event reservations. This data suggests that many members prefer to make reservations online, which also frees the staff from taking numerous phone calls to book, change or confirm reservations.

Forty-nine percent of clubs email their entire membership base two or three times each week. Thirty-seven percent email one per week and only 12 percent email daily. The report summary concluded that the balance between too many emails and not enough can be difficult, but it does exemplify the importance of creating a strategic communication plan. The survey indicated that 52 percent of clubs do not have a defined communication plan that details how often, what content and through what channels information will be sent to members. Only 47 percent of participating clubs have a formalized outline and schedule for all communications.

In addition, the survey identified that less than 22 percent of clubs update their website layout and design quarterly; less than 30 percent update their websites annually. Forty-one percent of clubs surveyed stated that they do not update their website regularly. This may be a missing component in engagement of members and guests if club websites are stale or rarely updated.

DUES INCREASES: THINK ANNUALLY… Several high-profile accountants specializing in private clubs are proponents of annual dues increases, whether or not the need is obvious. They contend that delaying increases can only lead to problems in the long term (see "Doing the Responsible Thing" July ***PCA***, page 2).

"While not raising dues each year may be popular with the members, generally clubs cannot continue to operate on at least a break-even basis without annual increases," said one of the advocates, Dan Condon of the accounting firm Condon O'Meara McGinty & Donnelly. Even though delaying increases could work short term, long term it generally does not, according to Condon. "Expenses such as payroll, payroll taxes and benefits, especially health care—which typically account for more than 50 percent of a club's operating expenses—as well as other operating expenses generally increase each year," Condon pointed out. "It would be unrealistic to think clubs can continue to operate and deliver the highest quality of services to their members without regular dues increases."