IMPLEMENTATION OF DATABASE MARKETING
IN THE PRIVATE CLUB INDUSTRY

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The objective of this study was to determine the prevalence of database marketing in the private club industry. It also sought to determine how demographic variables affect the importance of preferences among private club members and to develop a list of preferences that would be beneficial to track. Additionally, it aimed to determine how satisfaction levels with the remembrance of preferences impact overall satisfaction at home and reciprocal clubs. A survey instrument was designed for the private club industry and was mailed to members at three private clubs in the Northeastern Ohio area. Results of this study indicate that database marketing is starting to become prevalent in the private club industry. Demographic variables did affect certain preferences and there were several preferences that would be beneficial to track. Satisfaction levels with home clubs were significantly higher than those at reciprocal clubs. Results could be helpful to managers when developing training programs for employees and could assist in internal and external marketing efforts.
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CHAPTER I
INTRODUCTION

Customer relationship management (CRM) has been utilized successfully by retailers and catalogers for years (Kahan, 1998). This technique appears to be a natural fit for the private club industry given the personalized service that is given to private club members, which correlates to the very principles of CRM. A club’s success and longevity is dependent on the organization’s ability to build and maintain long term relationships with their members (Ferreira & Gustafson, 2006). Another factor that could critically impact a club’s success is the ability to adapt to technological changes while trying to maintain the principles of CRM. Many new club members have been raised in a society centered on technology. It is so embedded into their lives that they cannot function without it, even at a private club. The clubs must find a way to implement valuable technological advances without jeopardizing the intimate nature of the club (Rudd, 2008). Database marketing (DBM) is derived from CRM (Cooke, 1994) and the implementation of this technique could prove useful in accomplishing both of these goals.

The turn of the century and the tragic events from September 11, 2001 resulted in significant economic strain for many Americans. This difficult recession has recently placed the ever fragile private club business into a serious state of jeopardy. Booming economic times just before the turn of the century encouraged many golf course developers to start building new courses. Hundreds of new golf courses were built from 1998-2000 resulting in increased competition among existing private clubs. Belonging to
a private club is considered a luxury to most, not always a necessity. With most club members having less disposable income, certain unnecessary expenses have been cut and membership rates have plummeted in the United States (Ferreira & Gustafson, 2006). New memberships are difficult to obtain and it is more critical than ever to retain the current members. As a result, some clubs are being forced into reducing costs of memberships or waiving initiation fees in hopes of appealing to a larger target market (Barrows & Ridout, 2010). In some cases, mergers between formerly competitive clubs are occurring. These mergers provide club members with the benefits of multiple facilities and an enhanced number of offerings, with the luxury of paying just one set of dues. In addition to satisfying more people, the clubs can operate more efficiently and reduce costs by combining operations (DeChellis, 2008). All of these economic impacts leave managers and members wondering what the future will hold for private clubs.

Private clubs were founded on the principles of individualized service, special treatment, attention to detail, recognition, feelings of importance and an overall sense of belonging and camaraderie (Barrows & Ridout, 2010). DBM is an approach that allows marketers to better target potential customers while providing enhanced services and recognition to existing ones. Reduced marketing fees, increased profits, and increased customer loyalty are all potential benefits from DBM (Tao & Yeh, 2003). Given the decline in business in the private club industry since 2001 (Ferreira and Gustafson, 2006), it is worthwhile to study the prevalence of DBM to enhance relationships with current members, to attract potential members, to enhance reciprocal efforts, and to realize a broad range of other benefits as well. Research into DBM for the club industry is
minimal, with the exception of Kasavana and Knutson (2000), who provided a literature review on the subject. This literature focused on data mining, which is an extraction process of information from club databases (Kasavana & Knutson, 2000). While this information was beneficial to many in the field, it focused mainly on data warehouses and data mining and did not provide an in-depth integration model for DBM in the private club industry. Also, many potential benefits were mentioned from the club’s perspective but the researchers did not identify particular benefits relating to the members of those clubs.

Research describing the implementation of DBM into the private club industry is lacking. This could be attributed to the private nature of clubs and their resistance to letting researchers in to their facilities (Ferreira, 1998). Another contributing factor to article shortages pertaining to the private club industry is the low response rate from club managers being surveyed by researchers (Singerling, Woods, Ninemeier, & Purdue, 1997).

This mixed-methods research study has five main objectives. The first objective was to determine the prevalence of DBM in private clubs. This objective was achieved qualitatively by facilitating a focus group with club managers from the Northeastern Ohio area. The second objective was to develop a list of member behaviors and preferences that would be beneficial to track and to develop a tool that will assist clubs in the implementation of DBM programs. This objective was achieved based on data collected by surveying members at private clubs in Northeastern Ohio. The third objective was to determine how member preferences varied according to demographic factors and the
fourth objective was to determine the impact of member satisfaction based on the remembrance of member preferences, by employees. The last objective was to determine the satisfaction level with the remembrance of preferences by employees at reciprocal clubs. These objectives were also achieved after analyzing survey data.

Assumptions

This research was conducted under the following assumptions:

1. Club managers in the focus group responded honestly to questions posed.
2. Respondents in the survey are current club members because names and addresses were drawn directly from the club database.
3. Club members responded honestly to questions in the survey.
4. Items listed on the survey are viewed as important to the club members. A pilot study of club members was conducted to test the survey for errors, and understanding of content.

Thesis Organization

This thesis uses the expected format, which consists of a general introduction to this research project, a literature review, methodology for qualitative and quantitative data collection, results of data analysis, discussion of findings, implications and suggestions for future research, references, and appendices. Appendices include Institutional Review Board approval for conducting research involving human subjects, survey and consent letter used in the study, all recruitment material used in the study, and all transcriptions of audio-taped interviews used in the study.
CHAPTER II
REVIEW OF LITERATURE

This chapter provides background information along with a general overview of the private club industry and current challenges that the industry is facing. In the first section key terms associated with the private club industry and the concept of DBM are discussed. Related theoretical underpinnings and past research on DBM are also presented to establish the benefits and impacts of DBM for implementation in the private club industry. Finally, the gaps in literature and this study’s research objectives are stated.

Private Club Industry

Private clubs have been described as a central meeting place for groups of people with similar interests. There is a usually a fee to join a private club along with requirements for admission. Within the scope of private clubs in the hospitality industry there are many different types of clubs including country clubs and city clubs (Barrows & Ridout, 2010). Country clubs feature a clubhouse that offers food and beverage service, land that is adequate for a golf course and other possible activities such as tennis, swimming, accommodations, spas and fitness centers. City clubs are usually located in an urban city building or a suburban office space, offer food and beverage service, and may also offer accommodations and fitness facilities (York, 2002). Typically, motivations to join country clubs are pleasure, relaxation, enjoying time with family and friends, and a gaining a sense of high social status and recognition (Barrows & Ridout, 2010). Being a member at a country club and having the opportunity to network with
affluent members of the community may also offer certain extraordinary business opportunities. The possibility of those encounters is often the main motivation for joining a city club (York, 2002).

Factors beyond a club’s control can often impact a person’s decision to join a club or the experience they have while at the club, leading to renewed or non-renewed memberships. Such factors include local and national economic issues, inclement weather, experiences with other members, and local or federal tax regulations. According to IBIS World Inc. (2010), membership fees account for nearly 34% of club revenue. These annual membership fees provide the member with high quality services and amenities and provide the club with a consistent stream of income (IBIS World Inc., 2010). With such a high percentage of revenue coming from only one area, it is critical to constantly try to attract new members and retain existing ones.

In recent years the demographics of private club members have changed. Many more members of the middle and upper-middle classes have shown an interest in private club membership. This is quite different than the social elites who made up the majority of the industry prior to the turn of the century. Because of the interest from different segments of the population, pricing has recently become a concern. When joining a club it is often considered an investment, rather than just a purchase. This notion is due to the belief that membership may last for several years (Barrows & Ridout, 2010). In response to budgetary concerns of current private club members, board members and managers have been forced to lower membership and initiation fees and are making conscious
efforts to provide members with services that will enhance the club value (Ferreira & Gustafson, 2006).

**Club Reciprocity**

Reciprocity, in the private club industry, refers to relationships that are entered into between multiple clubs wherein members can share privileges with other clubs who agree to the reciprocal arrangement (Andruss, 2011). This privilege allows members to enjoy club life even while traveling. In a difficult economy, adding reciprocal clubs that are out of town can enhance the value of a membership for budget conscious members (Andruss, 2011). Typically, reciprocal arrangements include a designation regarding the maximum usage reciprocal members can engage in at participating clubs per year. Limiting usage deters members from frequenting clubs where they do not pay annual membership dues. In order to maintain private club status there are also limitations on how much income can be brought in from non-members each year, which is a major concern when setting up reciprocal limitations (Andruss, 2011). Clubs are generally very specific about which clubs they agree to reciprocity with as it could ultimately reflect poorly on them (R. Klingle, personal communication, February 1, 2010). According to IBIS World Inc. (2010), reciprocal privileges can influence an individual’s decision to join a specific club, especially when business is a main motivation for membership. With the industry currently experiencing financial difficulties, such as declining membership rates and negative financial growth, (Ferreira & Gustafson, 2006) expanding on reciprocal efforts with other clubs may offer a valuable reason for prospective members to join (Andruss, 2011). Well-executed reciprocal efforts may also differentiate clubs
from their competitors. Andruss (2011) agrees that reciprocal arrangements can benefit private clubs by helping attract prospective members, increasing revenues, and increasing retention rates. These arrangements can also benefit the club by offering increased amenities without requiring the investment.

**Theoretical Models**

CRM and DBM research has been rooted in theories and concepts such as customer lifetime value, recency, frequency, monetary analysis, and frustration theory. A description of each of these and their relation to CRM and DBM are provided below.

**Customer Lifetime Value**

Many corporations are assessing their current customer’s value and customer lifetime value (CLTV), and are building strategies to retain profitable customers based on those assessments. According to Morrison (2010), lifetime value is a concept associated with CRM and relationship marketing. The lifetime value of a customer is assessed by evaluating customers based on their repeat business with an organization rather than just individual transactions. The concept behind CLTV is to determine how much profit a company expects to make from a customer throughout the duration of that relationship (Malthouse & Mulhern, 2007). The lifetime value of a private club member should be of high importance to managers since members typically belong to a club for several years (IBIS World Inc., 2010).

Berger and Nasr (1998) suggest that companies do not need to market to all customers. By employing their mathematical model for determining CLTV, marketing efforts could be geared towards those customers who are most profitable. A profitable
customer is someone who spends more, over a certain period of time, than it costs the company in products, services, and marketing promotions to attract them. The future revenue that a relationship with a customer can derive is the CLTV (Malthouse & Mulhern, 2007). Technological advancements throughout the past several decades make the process of determining CLTV less complex for corporations. By determining the CLTV of existing customers firms can better position themselves for the future (Berger & Nasr, 1998). To coincide with that, Ready (2009) adds that by enhancing value for the customer, organizations can expect increased CLTV in return.

**Recency, Frequency, Monetary Value**

Kahan (1998) described recency, frequency, monetary value (RFM) as a very common technique for analyzing consumer behavior. The method has been applied by marketers for over 40 years (Sellers & Hughes, 2010). It is a mathematical computation that can easily be integrated with customer files. This technique requires storage of basic customer information including name, address, and account number. It also includes the date of the most recent purchase, the total number of purchases and frequency of purchases, and the average amount of money spent per transaction. This information can be sorted to help organizations determine who spends the most, who shops most frequently, and who has shopped most recently. When this is determined the best customers are those that have the highest scores according to RFM. When designing new marketing campaigns Kahan (1998) suggests marketing towards customers with higher RFM scores. At this point they are the most profitable customers. According to Paretto’s 80/20 rule, which states that 80% of the revenue comes from 20% of the customers,
companies can save on marketing investments by only gearing marketing efforts to the most valuable customers. Kim, Jung, Suh, and Hwang (2006) agree with Pareto’s rule but have added their insight, stating that 80% of marketing costs are based on 20% of the least profitable customers. These customers are likely not going to create long term value for companies; therefore marketing strategies like mass-marketing would not be ideal. The key concept of CRM is to understand customer profitability and to retain the most profitable customers.

RFM works because customers who purchase most recently are more likely to purchase again, those that spend a lot of money will likely continue to do so, and those who purchase often will more commonly respond to marketing advertisements or promotions. These results have been documented in many industries including the travel industry (Kahan, 1998). In a study conducted by Sellers and Hughes (2010), customers of Federal Express were analyzed to determine whether or not they could migrate from cell to cell of the RFM categories over time, find out to what extent migration occurred, and evaluate RFM migration’s effectiveness for profitable marketing campaigns. Customers were classified into four groups with one being the least valuable customers and four being the highest valuable customers. Results indicated that the top 10% of customers who had fallen into the fourth category projected nearly three times the CLTV of the average customer. Companies should work diligently on marketing programs that will retain these customers. On the opposite end of the spectrum were the customers who ranked as level one. Although these researchers do not feel marketing dollars spent on these customers would produce a high return-on-investment, it is suggested that much
can be learned from customers who do not frequent an organization or do not spend a lot of money with that organization. By surveying these customers management may be able to identify certain operational issues impacting business. Customers in the middle two categories could migrate to higher or lower levels of RFM patterns. By offering these customers incentives they may become more profitable customers (Sellers & Hughes, 2010).

RFM patterns were applied to sequential patterns for use as a framework to understanding purchasing patterns within a retail chain in Taiwan. RFM variables have been used in development of data-mining techniques by previous researchers but had not been applied to sequential patterns before this study. Data were categorized and analyzed according to values. Results were used to provide management with implications for marketing strategies geared toward the most profitable customers. Marketing strategies focused on cross-selling opportunities, product recommendations, and more personalized marketing campaigns (Chen, Kuo, Wu, & Tang, 2009).

**Frustration Theory**

The frustration theory was coined by Abram Amsel in the late 1950’s. Amsel had researched the topic for most of the 1950’s but credits himself with the introduction of the frustration theory in 1958 (Amsel, 1992). After observing rats in a field study of intermittent reinforcement feedings, Amsel realized that as the rats continued on with the process they would experience different behaviors, including frustration. It was noted that the rats would start off as energetic in hopes of getting a reward. When rewards were not given consistently the next stage brought about emotional reactions from the rats. In
the third stage of the experiment the rats became increasingly frustrated. The final stage showed the rats reverting back to the behavior of the first stage by an increased level of determination and less bad reactions. The combination of the four stage experiment is what contributed to the development of the frustration theory. It was determined that by overcoming the emotionality of the third stage the rats counter-conditioned themselves to prepare for anticipated frustration (Amsel, 1992).

Customer loyalty programs were developed in the 1980’s in the airline industry and are viewed as a strategy which complement CRM and DBM. Companies hope to develop long-term relationships with customers by storing personal information in a database and using it to their advantage in the future. In exchange for this personal information customers are given special rewards. The greater the level of company involvement from the customer, the greater the rewards they receive. Loyalty programs have become mainstays in the airline, hotel, and credit card industries. The popularization of these programs has led to loyalty coalitions in which several companies band together to share information and marketing expenses. With the rise in competitiveness among these programs, organizations should look to align themselves with companies that can offer exciting and diversified rewards to members. In addition to coalitions, organizations should think of other ways to provide their members with a “wow” factor, which will keep them interested in the programs. These conclusions were derived from the research of Capizzi and Ferguson (2005) which used data and statistics from several loyalty marketing programs.
In a study conducted by Stauss, Schmidt, and Schoeler (2005), the frustration theory was used to determine effectiveness of loyalty programs by utilizing customers of a transportation service provider. Unlike Amsel’s rat experiment (Amsel, 1992), customer loyalty programs do not promise intermittent rewards, they promise rewards routinely in exchange for customer loyalty (Stauss, Schmidt, & Schoeler, 2005). The goal of loyalty programs is to develop sustained relationships with customers through incentives. When these programs fall short of customer expectations and do not provide consistent, valued incentives, customers can become extremely frustrated. In this study researchers divided customers into homogenous groups based on participation in the loyalty program. A total of 418 telephone interviews were conducted and recorded. Answers were analyzed to determine if customer frustration was occurring within the loyalty program. It was confirmed that 123 customers were frustrated with the program. Four main issues with the program were inaccessibility, worthlessness, redemption costs, and qualification barriers. Specifically, customers felt as if they were not getting as much value as they deserved out of the program, that the value was sometimes difficult to retrieve, and that they were not always able to benefit from the incentives due to restrictions set in place by the company. Consequences of poorly executed loyalty programs could result in poor relationships with customers ending in lower levels of customer retention. Results like this are the opposite of what these programs hope to achieve. To achieve maximum results, organizations should strive to eliminate frustrating aspects of the programs (Stauss, Schmidt, & Schoeler, 2005). Well executed
programs have led to enhanced customer lifetime value and more precise target marketing (Capizzi & Ferguson, 2005).

**Customer Relationship Management**

CRM has been practiced at private clubs informally for years. It is essentially the basic principle under which most independently-owned restaurants, bars, hotels, and retail stores were founded. The goal of CRM is to determine what customers want and find out how to give it to them. By doing so, the goal is that those customers will tell their friends and more importantly, remain loyal customers for a very long time (Morrison, 2010). Malthouse and Mulhern (2007) agree that understanding customers’ attitudes and behaviors and implementing operations that coincide with those, will lead to a better opportunity for customer loyalty.

Buckinx, Verstraeten and Van den Poel (2007) indicate that the use of CRM is less demanding and less expensive than other alternatives. Through customer research in two retail stores in Belgium, these researchers determined that it is more profitable to sell products and services to existing customers than it is to new customers. Transactional data and behavioral data were measured and both were found to be useful predictors of behavioral loyalty. Purchase variety among customer data was the largest indicator of strong customer loyalty. By improving variety of purchases an organization can improve the lifetime value of a customer. Ready (2009) stated that with the technological advances available to organizations today, it is less complicated to focus on marketing to existing customers rather than to potential customers. The more solid the relationship is with the existing customer, the greater the level of customer retention that will be yielded.
Xu and Qiu (2008) describe CRM as a customer-oriented management approach, which is useful in increasing revenues, profits, and customer satisfaction. This is accomplished by creating marketing programs based on the knowledge that organizations gain from customers. The authors further elaborate that CRM contributes not only to customer profitability but also to retention.

Kim et al. (2006) view CRM as a technique that can lead to several benefits that attribute to the success of an organization. They discuss five potential benefits of CRM. These include increased customer retention and loyalty, higher customer profitability, creation value for the customer, customization of products and services to meet the customer’s needs, and higher quality of products and services. Kim et al. (2006) developed a framework after segmenting customers of a wireless telecommunication company in Korea for six months. The framework was divided into three phases. The first phase described steps that must be taken when defining customer value and developing marketing strategies. The second phase evaluated the customers based on current value, potential value, and customer loyalty. These customers were then segmented based on results. The final phase analyzed the customers and the properties of each segment. It is suggested that current value, potential value, and customer loyalty, when examined collectively, will enable a more comprehensive marketing strategy. Results indicated that by researching the current value of a customer an organization can get in-depth financial information. Researching potential value provides organizations with information that can lead to cross-selling opportunities, which can lead to increased
lifetime value. Customer loyalty can increase if both the current value and potential value of the customer improves.

**Database Marketing**

Cooke (1994) suggests that DBM may date back as far as the 1800’s, when a tailor who owned the business would record information about their customers on note cards. They would use this information to make the customer’s experience easier and a little more personal on the next visit. Sears Roebuck & Co. first discovered that by including a catalog with outgoing orders, their most recent customers would probably order again. Although this is a better example of a direct marketing campaign, Sears knew that the information that they had from their current customers was beneficial to their continued success (Kahan, 1998).

Companies have been utilizing informal versions of DBM for years, but it was not viewed as a marketing tool until the late 1970’s and 1980’s as computers became more efficient. During the early 1980’s mass marketers began to apply DBM techniques by storing names, addresses, and purchasing history of existing customers. DBM initiated the concept of using individualized consumer information to benefit organizations beyond the direct mail industry. Businesses started to realize that information gathered from previous and current customers could be instrumental in designing effective marketing campaigns (Petrisin, Blattberg, & Wang, 1997).

DBM is derived from direct marketing, relationship marketing, and CRM (DeTienne & Thompson, 1996). These researchers describe DBM as a systematic collection process of information regarding past, current and potential customers. When
accurately maintained in a database this information can help develop marketing strategies to attract new customers while fostering more personal relationships with current customers. Wright and Fletcher (1998) describe DBM as the ability to utilize the potential of computer technology to facilitate more personalized customer communication in a productive and cost effective way. Due to the expectation of exemplary services resulting in high labor expenses, private clubs need to identify expense areas where savings can be possible (IBIS World Inc., 2010). Other strategic benefits of DBM include development of long-term relationships with customers leading to retention and increased life-time value of those customers. Loyalty and retention rates are often high at private clubs, but by developing ways to increase those rates clubs can increase profitability (IBIS World Inc., 2010).

Morrison (2010) provides a similar definition of DBM stating that computer database technologies are used to create and manage customer data lists. The lists include characteristics of customers and past purchasing behaviors. Potential benefits derived from these lists are locating, selecting, targeting, servicing, and establishing customer relationships to develop the long-term value of those customers. As computer software continues to improve so do the capabilities of DBM campaigns.

In a DBM strategy, organizations gather data pertaining to customers. The data are stored, monitored, and updated regularly. It is referenced to develop more personalized relationships with current customers. It is suggested that in order to please customers, organizations must first get to know them (DeTienne & Thompson, 1996). Kahan (1998) believes that the development of these relationships benefits the customers
in terms of recognition and satisfaction, and makes the companies more profitable as a result. In a private club, status is often a main motivation for membership. Recognition of members could further solidify the status that members are trying to achieve (IBIS World Inc., 2010).

Kahan (1998) further elaborates that successful database marketers use two different approaches when collecting data. Cognitive and behavioral information is gathered. In other words, the focus is on how customers appear and how they act. Some examples of cognitive analyses used on current customers include identifying demographic and psychographic information. By defining this data about current customers, the evidence can be used to create an ideal target market for potential customers. This information would be valuable to club managers trying to recruit new members. In terms of behavioral analysis, past purchases, dollars spent, usage, and preferences are all recorded. This information is relevant based on the theory that humans are creatures of habit and therefore past behaviors are indicative of future ones. Being able to better anticipate the future wants and needs of club members, managers will have a better chance of satisfying them (Barrows & Ridout, 2010).

O’Leary, Rao and Perry (2004) agree that by improving an organization’s customer database, there is a greater chance of improving relationships with customers. The researchers hypothesized that integration of the internet with DBM will improve CRM. Potential benefits could include retaining customers, segmenting customers, marketing towards more valuable prospects, and enhancing long-term relationships. Integration of data gained directly from the customer, with full disclosure, and data that is
collected through observations, was the basis for this study. Findings supported their hypotheses strongly, concluding that integrating DBM and internet marketing increases the effectiveness of both. However, these efforts must be continually improved. Support from top management and collaboration between marketing and information technology personnel must be strong in order to achieve continued success.

Brough (2007) states that those service organizations who do not effectively utilize databases will be left behind in this difficult economy. It is also mentioned that corporations who use databases well will better position themselves for superiority when the economic recession turns around. Fletcher and Wright (1998) agree that organizations who do not adopt DBM strategies may be forced into reactive DBM in order to keep up with competition. In these cases economic benefits may be less meaningful than those of early adopters.

Ready (2009) concurs that members of private clubs are the lifeblood of the organization and in order to please them during difficult economic times, intellectual marketing plans must be initiated. These efforts should focus on building and nurturing relationships with new members. According to Ready (2009) most club members who resign will do so after the first year of membership. It is critical to gain information on and build strong relationships with new members as quickly as possible. It is also necessary to strengthen and create long-term relationships with existing members. By employing such techniques as DBM, information regarding interests and demographics can lead to more precise communications, repeat business, need satisfaction, and increased profits (Ready, 2009). More innovative DBM techniques can be helpful in
achieving customer loyalty through relationship building, need assessment, and delivering the right solutions (Petrison, Blattberg, & Wang, 1997).

From a different perspective, Cannon (2002) believes that while effective, DBM does have some flaws if utilized incorrectly. A database is described as a vehicle used to strengthen relationships between customers and managers. Management is responsible for building the customer relationship, noting that good customers can be lost forever with just one bad experience. If trust is not created between customers and the corporations, database information will be virtually useless. Also, customer’s privacy must be the cornerstone of any marketing efforts and an ethical approach to collecting data must be considered. As technology advances and databases become more sophisticated, customer’s expectations will continue to grow. The private club industry is known for personalized service and therefore is behind many other industries when it comes to technological advances (IBIS World Inc., 2010). If DBM is implemented in private clubs mistakes or errors will not quickly be forgiven; therefore an emphasis on accuracy must be placed while collecting data and the focus should remain on personal interactions supplemented by technology. Correctly administered DBM combined with personalization of relationships can benefit organizations and customers (Cannon, 2002).

Members of private clubs share a great deal of personal information with club management upon joining and continue to share information throughout their term of membership (IBIS World Inc., 2010). In regards to privacy issues related to DBM, Petrison, Blattberg, and Wang (1997) suggest that a customer would be less likely to worry about privacy threats from companies that they already do business with. This
conclusion was based on a research study conducted by these researchers in 1997. This study offered the reader an overview of information regarding the progression of DBM initiatives by completing a literature review of articles published in Direct Marketing Magazine. To compliment this material the researchers also conducted over 40 in-depth interviews with other researchers and professionals in the field of marketing. The goal of the research paper was to provide managers with information from the past that could improve DBM efforts in the future, therefore having a chance to turn negatives into positives.

Callan and Teasdale (1998) believe that DBM has a short-coming. There is a greater financial investment into an effective marketing database than there would be into other types of marketing initiatives. In a study conducted by Wright and Fletcher (1998) retail and travel industries were surveyed to determine present barriers that were limiting or preventing the use of DBM. In both industries cost was perceived to be the largest barrier in the implementation of DBM. Although the costs are high, marketing efforts can be geared towards prospects that are more likely to purchase products or services based on need identification and previous buying history. The costs to reach individual customers may be higher than more traditional methods but this should be weighed against the higher sales volumes and more dollars spent per customer as a result.

Ready (2009) expressed that private clubs need to make the investment into relationship marketing strategies and that the potential benefits as they relate to membership and longevity far exceed the initial investment. He states that membership at a private club is very much about being a part of something and investing in a lifestyle.
Due to the emotions involved in club membership, a more personalized marketing strategy should be implemented. The strategy should focus on nurturing relationships with new members, further developing relationships with existing members, and continually evaluating the possibility of retention from the members.

Tao and Yeh (2003) note some problems regarding the technology associated with DBM. As technology advances DBM systems can become too complex. A computer program is capable of many things so organizations must maintain a clear objective centered on personal business goals. DBM efforts should be specific to an organization based on unique market challenges. A successful DBM strategy should focus on human participation to enhance the technology with observations and insights. The DBM purpose should change as the organization’s goals change. Capizzi and Ferguson (2005) also feel that technology has a tendency to become the centerpiece of DBM efforts. Organizations lose sight of the actual goal of the strategy, which is to enhance relationships with customers, because they are too concerned with technological advances. Focusing on the customers will help keep the organizations grounded when developing DBM programs.

Iriana and Buttle (2006), suggest that the combination of CRM and DBM leads to information that allows the company to better understand customer behavior for existing markets. It also allows the corporation the ability to segment its marketing efforts more effectively for prospective customers, while realizing benefits such as profitability and cost reductions as well.
Data Mining

Data mining is used in conjunction with CRM and DBM. In a comprehensive literature review of seven on-line databases, Ngai, Xiu and Chau (2009) located 87 articles that linked CRM to data mining. The main focus of CRM is to obtain a deeper understanding of customers in hopes of creating long-term profitable relationships with them. Information that is collected through CRM practices can tend to become cluttered and not easily accessible in large databases. Data mining is the process through which characteristics and patterns are discovered among vast amounts of data. This helpful process is quickly emerging as a trend in many industries globally. This process is useful to companies to further analyze customer data, extract useful information from it and gain a competitive advantage in the industry. Collecting data on customers and evaluating that data through data mining techniques is the primary focus of CRM (Xu & Qiu, 2008).

The information needed to implement DBM strategies is likely already available at private clubs. It is also likely not being gathered, saved, and used properly to attribute to retention of current members and attraction of new members, as well as for other possible benefits. This information can be managed more effectively through the use of data mining techniques (Schoenbachler, Gordon, Foley & Spellman, 1997). Kasavana and Knutson (2000), agree that data mining is the tool that will allow private clubs to better attract and retain members while also predicting their future behaviors. Clubs typically store personal information about current members’ demographics and spending habits. They fall short in translating this information into successful DBM programs because the data is often not mined to extract useful information. As years of
membership pass, club administration collects more and more information about members. All of this data can become overwhelming and becomes useless if not extracted properly. By pulling out certain pieces of valuable information the club can develop DBM strategies which could increase retention, help develop more refined targeting approaches, and reduce marketing costs.

Successful DBM strategies utilize data mining techniques. Data mining involves the translation of large amounts of seemingly useless data into valuable information for future uses. As technology has advanced the ability to store information has become easier. Sorting through all of this data has presented more challenges. Data can be mined through classification, which gives the computer system certain guidelines when searching. These guidelines should change as business objectives change. Someone needs to constantly update the system to identify new patterns among customers. Clustering takes place when the system randomly finds patterns without anyone looking for those particular patterns (Forcht & Cochran, 1999). A combination of classification and clustering could be helpful in developing a DBM program used for country clubs to identify spending habits of long term members as well as figuring out, demographically, what an ideal prospective member might look like.

**Alternate Strategies for Private Clubs During Maturity Stage**

Private clubs in the United States are in the late maturity phase of their life cycle (IBIS World Inc., 2010). Since the turn of the century it has been difficult for private clubs to be profitable but a sustained demand for private clubs has kept the industry from slipping into the decline stage. According to Morrison (2010), the maturity stage is
experienced when an industry has more supply than demand, resulting in a decrease of sales growth. An influx of golf course development which occurred in the late 1990’s coupled with the current economic situation in the United States has created an overabundance of private clubs with lower numbers of interested members (Ferreira & Gustafson, 2006).

Organizations can implement several strategies to achieve sales revenue growth during the maturity stage.

**Market-Modification Strategy**

This requires the corporation to go after competitors’ customers, widen their target market, and attempt to transform non-users to users or increase the usage of current users (Morrison, 2010). Recently in the private club industry, formerly competitive clubs have been merging in an attempt to reduce operating expenses (Dechellis, 2008). Membership rates and initiation fees have been reduced in hopes of attracting a different target market than in previous years. DBM can be helpful in specifically marketing to current non-users and increasing spending among current users by directing more individualized marketing material to individual groups of people (Petrison, Blattberg, & Wang, 1997). Private clubs have demographic and psychographic differences among existing members (IBIS World Inc. 2010), it seems logical that personalized marketing initiatives would be useful.

**Product-Modification Strategy**

In the product-modification strategy, organizations attempt to improve upon current offerings or structural elements in hopes of creating new interest. Member-
owned private clubs, who strive to operate with no profit or no loss, often invest any profits into capital projects, marketing objectives, or purchases of innovative new products. These efforts are geared toward keeping existing members satisfied and sparking the interest of the target market (Morrison, 2010). With the expectation of profitability by 2014 in the private club industry, (IBIS World Inc., 2010) members should consider DBM as a way to communicate new offerings to existing members and to attract new members.

**Marketing Mix-Modification Strategy**

According to Morrison (2010), the marketing-mix modification strategy involves a company changing their current marketing mix to better position themselves among competition. Product, partnership, people, packaging, programming, place, promotion, and pricing make up the marketing mix (Morrison, 2010). Partnership can be enhanced through DBM for private clubs by sharing information with reciprocal clubs to enhance member experiences. People can be better satisfied by more specific programming based on database information that club’s gather and retrieve regarding members. Promotions utilizing DBM can be more personalized, which can result in higher life-time value for current members and better opportunities to attract new members with similar characteristics (Petrison, Blattberg, & Wang, 1997).

**Brand-Extension Strategy**

The brand-extension strategy allows a company to broaden their target market by expanding current offerings. The Union Club, which is a century-old property in downtown Cleveland, Ohio, has recently considered such strategies in hopes of becoming
attractive to a much larger segment of the population. This city club is currently developing a DBM program which will offer members much different services than food, beverage, and fitness. Members were surveyed to understand additional offerings that were important. Possible offerings include extensive concierge services, babysitting, pet-sitting, and transportation. While the club realizes that these areas are not its areas of expertise, by offering additional services to members, enhanced value is created and the chances of attracting potential members grows (C. Caviglia, personal communication, October 21, 2010).

Application of Database Marketing in the Hospitality Industry

Airlines were among the first to utilize DBM programs. Following de-regulation and decreased sales in the late 1970’s airlines began offering frequent flyer miles to customers as a way of creating repeat business and extended loyalty. Airlines quickly realized that by storing information on frequent flyers, a database had developed. These databases were eventually utilized for marketing purposes and since then several other industries have followed suit (Petrison, Blattberg, & Wang, 1997).

Hotels have been using DBM and CRM techniques through the use of guest history systems for years. These systems are designed to gain a better understanding of the hotel guest’s purchasing behavior, needs and expectations. A pilot study of UK hotels by Callan and Teasdale (1998) consisting of 27 hotels ranked between three and five stars, reported that nearly 90% of respondents were utilizing a guest history system. Since this article was published 13 years ago and technology has advanced greatly since then, it would seem that this number would be significantly larger currently. By tracking
personal information on the guest through disclosure and observation, the hotel can
develop marketing strategies and operational strategies that will assist in retention of
existing guests and in the attraction of guests in their target market. Hotels who have
adopted these strategies have had an edge over their competitors. Due to the amount of
detailed information that a guest provides a hotel upon making a reservation and during
their stay, hotels are said to have a natural advantage in these fields (Callan & Teasdale,
1998). Private clubs have even more information that is provided to them by members
and continue to gain knowledge on members throughout frequent visits to the club (IBIS
World Inc., 2010). Tracking this information and referencing it to develop DBM
programs seems to be an ideal marketing strategy.

In a study conducted by Merritt and Fojtik (1998), DBM efforts were among
several tactics used by a country club in southern California in an attempt to meet its
membership goals and improve member satisfaction. By initiating innovative marketing
techniques such as DBM, the organization was able to improve the possible uses of the
prospective member data and better satisfy current members by offering programs and
activities that better met expectations. The creation of this database, along with new
pricing concepts, resulted in the club reaching its membership goals three months ahead
of schedule.

**Rationale for Current Study**

DBM has benefited many industries including the airline and hotel segments of
the hospitality industry by improving customer retention rates, increasing profitability
and decreasing marketing expenses. All of these potential benefits could alleviate some
of the stresses that private clubs are currently experiencing. If DBM initiatives are implemented during the current economic climate, private clubs could better position themselves for the expected turnaround.

Marketers are currently suggesting more precise marketing strategies focused on targeting the right customers with existing products and services rather than through mass marketing efforts. This is directly attributed to the proven successes of DBM in so many industries (Forcht & Cochran, 1999). Schoenbachler et. al. (1997) state that DBM efforts could make customers feel that they are recognized and are getting more detailed personal service and attention. Since these are many of the same motivations that club members have (Barrows & Ridout, 2010) it is important to try to gain an understanding of the prevalence of DBM and why it has been under-researched in private clubs. Barrows and Walsh (2002) and Barrows and Ridout (2010) expressed that private club marketing research deserves more attention. Very little research has been published regarding strategic planning, marketing, and management of club services. Data could be useful to current managers as well as those studying for a career in club management.

**Research Objectives**

The following research objectives are stated to obtain clarification on the implementation of DBM in the country club industry.

**Research Objective 1:** To determine the prevalence of DBM in private clubs.

**Research Objective 2:** To develop a list of member behaviors and preferences that would be beneficial to track and to create a list based on those facts that will assist clubs in the implementation of DBM.
**Research Objective 3:** To determine how club members’ desires for remembrance of their personal preferences by private club employees vary based on various member demographic factors including gender, membership type, marital status, age, and employment.

**Research Objective 4:** To determine the relationship between how satisfied members are with the level of personalized service provided by private club employees and members’ overall satisfaction with the club.

**Research Objective 5:** To determine club members’ satisfaction levels with the level of personalized service provided by reciprocal clubs.
CHAPTER III

RESEARCH METHODOLOGY

Many aspects of the private club industry have been under-researched (Barrows & Ridout, 2010). In a review of articles published by these authors in 2010, 45 journal articles related to private clubs dating from 1994-2005 were located. The themes of these articles included club managers and their management styles, food and beverage, human resources, education, finance, membership, general club topics, internationalization, and strategic management. Although strategic management articles were published, no articles specifically addressed marketing methods used in the private club industry.

In an attempt to fill the gap in the literature and to gain a clearer understanding of how database marketing (DBM) could benefit the private club industry, a mixed methodology approach that utilizes both qualitative and quantitative research methods were used for this study. A focus group was utilized for the qualitative research, while survey methodology was employed for the quantitative component.

Human Subjects Review

The researcher involved with this study has completed human subjects training and is certified by the Institutional Review Board (IRB) affiliated with Kent State University (KSU). The KSU Committee on the Use of Human Subjects in Research reviewed and approved the proposal for this study on January 12, 2011 (Appendix A). The committee ruled that the rights and welfare of human subjects were adequately protected. No risks or discomforts to the participants were anticipated and cover letters
to subjects clearly stated the purpose of the research and guaranteed confidentiality of responses.

Sample

This research was conducted in two parts. The qualitative component involved a focus group of six general managers from private clubs in the northeastern Ohio area. Managers’ e-mail addresses were obtained from the Club Managers Association of America website. Sixteen members of the Greater Cleveland Chapter of the Club Managers Association of America were given the opportunity to participate in the focus group through an e-mail invitation and six participated in a focus group.

The quantitative part of this research involved club members of three member-owned private clubs in northeastern Ohio. The first was a city club in downtown Youngstown, Ohio with 241 members. The club has experienced hardship during the last decade and wanted to participate in this survey to gain a better understanding of their members. The second club used in the study was a country club in Wooster, Ohio with 290 members. The club has recently experienced a management change. The new general manager had noticed positive changes in the last few months, including increased membership and higher food and beverage revenues. He chose to participate in this survey in hopes of acquiring information that will allow him to continue to lead the club in a positive direction. The last participating club was a country club in downtown Akron, Ohio with 556 members. This club is rich in tradition and history and is doing well despite the current economic conditions. The general manager agreed to participate in this survey because he felt that clubs should be proactive and take action on ways to
improve while they are doing well. In total, 1087 members of the participating clubs were mailed a survey and given the opportunity to participate; however participation was voluntary.

**Instrument Design**

**Focus Group Discussion**

According to the suggestions of Shaha, Wenzel, and Hill (2011) the focus group facilitator defined DBM prior to beginning the focus group discussion and ensured confidentiality of the session. Pre-determined, open-ended questions were used to guide the focus group discussion (Appendix B).

Due to the lack of research in the area of DBM related to private clubs (Barrows and Ridout, 2010) past studies could not be consulted for question construction. The researcher consulted academic advisors and managers of private country clubs to assemble the list of 11 questions. The focus group participants were asked to base their answers on past experience, forethought, and human observation.

**Survey of Club Members**

The survey instrument for this research study included two parts with a total of 41 questions (Appendix C). Demographic questions including age, marital status, length of membership, and type of membership made up the first part of the survey. These questions had a mixture of multiple-choice and fill in the blank answers. According to Barrows and Ridout (2010), and Ferreira (1998) it was determined that demographic information can impact membership rates and financial successes of a private club. Knutson (2001) suggested that age differences among club members could impact
satisfaction levels and member preferences. With the observations of these researchers it seemed worthwhile to include demographic information on the survey for this research study. Questions for the demographic section of the survey were created by referencing a number of different surveys from the Club Managers Association of America website. All surveys were non-descript in order to maintain club confidentiality; no print dates or club names printed on the surveys.

The second section of the survey measured four constructs. The first construct, *importance of remembrance of club member preferences*, which used a five-point Likert-type scale, had responses coded as follows: 1=Not Important, 2=Low Importance, 3=Neutral, 4=Somewhat Important, 5=Very Important. The second and third constructs measured *member satisfaction with remembrance of preferences at home and reciprocal clubs*. They were coded as 1=Not at all Satisfied, 2=Slightly Satisfied, 3=Moderately Satisfied, 4=Very Satisfied, 5=Extremely Satisfied. At the end of this section there was one open-ended question asking for the two most important preferences that members would like club staff to remember. The last construct measured *overall satisfaction with the home club*. Responses were coded as 1=Not at all Satisfied, 2=Slightly Satisfied, 3=Moderately Satisfied, 4=Very Satisfied, 5=Extremely Satisfied. When developing this survey similar previous surveys were referenced to assist in question construction.

Reference surveys were obtained with the assistance of the Club Managers Association of America website by accessing their research archives and with the assistance of personnel. Although none of the reference surveys had researched exactly what this study aimed to research, many of them provided individual questions that were
appropriate for the first three constructs in the survey study. All surveys used were non-descriptive in order to maintain club confidentiality, therefore there were no print dates or club names printed on the surveys. Three questions measuring the final construct, *overall satisfaction with the home club*, were created by Back and Lee (2009).

**Pilot Testing**

Members (*n = 12*) of a private club in Warren, Ohio were invited to participate in the pilot study. An e-mail version of the survey was sent to members along with a cover letter to explain the purpose of the study. Participants were asked to complete the survey and provide comments regarding clarity of questions, rating scale, and format. Appropriate recommendations from participants were incorporated into the final version of the survey.

**Data Collection**

**Focus Group**

In a review of articles pertaining to private clubs by Barrows and Ridout (2010) several articles were identified which used surveys to obtain information from club managers. No articles were found which used focus groups to collect data; however, it is possible that more comprehensive data could be obtained from conducting a focus group. According to Morrison (2010) focus groups are purposeful because they allow the researcher to provide clarification, redirect questions as necessary, and act as a moderator among focus group members. Another key benefit of focus groups is to obtain a clearer understanding of participants’ views, behavior, and perceptions. Focus groups are a widely accepted practice in the hospitality industry (Morrison, 2010). Given that the first
research objective was to explore the prevalence of DBM in the private club industry, it was appropriate to compile a focus group of general managers in order to obtain this information.

The focus group in this study consisted of six general managers of private clubs in the northeastern Ohio area. One participant was the manager of a city club and five other managers were from country clubs; only one respondent was female. The clubs ranged in size from 290 members to 900 members. The focus group was held on March 15, 2011 and lasted for 75 minutes. The session was recorded and a research assistant took notes. A transcript of the session is provided (Appendix F). According to Shaha, Wenzel, and Hill (2011) the facilitator and note-taker checked equipment and supplies prior to the start of the focus group. At the start of the session participants signed a waiver (Appendix D) and throughout the session participants were encouraged to share opinions while the facilitator kept the session on topic.

Surveys

York (2002) found that membership surveys are an excellent resource for gaining a better understanding of what members want and need. After establishing the needs and wants of club members, management can decipher a clear plan of how to satisfy them through the use of DBM techniques. A 41-question survey was developed and distributed by mail to club members at three private clubs in northeastern Ohio. The surveys were sent out along with member statements but were in a separate, pre-stamped envelope. Given that the three clubs had a high percentage of elderly members, after a discussion with the general managers, it was determined that a mail survey could result in higher response
rates than an e-mail survey. Members were given a response deadline of two weeks from the date the survey was sent out. In hopes of achieving a higher response rate the clubs sent out a reminder e-mail to all club members one week before the set deadline. Included with the survey was a consent letter (Appendix E) ensuring the voluntary nature of participation and confidentiality of survey responses. Addresses were obtained through club databases and mail surveys were sent to 1,087 members. A total of 281 responses were received, for a response rate of 25.9%. Of the 281 received, 277 were usable responses and used in analysis.

**Data Analysis**

Using Gavaravarapu, Vemula, Rao, Mendu, and Polasa’s (2009) focus group research as a reference, the focus group session for this study was recorded and the researcher acted as a moderator. A research assistant was present to take notes. The recorded audio data were transcribed into a text version and the written notes were consulted when necessary. The data were then analyzed by noting all key words and phrases from the transcribed notes. Written notes were used to supplement this material when necessary. Data were separated into themes. Song and Cheung (2010) had a second researcher determine themes to assure credibility of the study. In accordance with that research, the practice was applied here and the same themes were determined by the second researcher as were determined by the first researcher. Themes which emerged from the focus group were used to answer the first research objective which was to determine the prevalence of DBM in the private club industry.
Data from the member survey were analyzed using Statistical Package for the Social Sciences (SPSS). Reliability of all subscales was determined by calculating Coefficient Alpha. Descriptive statistics calculated included frequencies, means, and standard deviations.

To answer the second and third research objectives which were identifying country club member preferences which would be beneficial to track and to determine how those preferences vary according to demographic factors, a few techniques were used. ANOVA was used to analyze the demographic group differences with groups of three or more based on scale responses. Age group responses were coded as “1” for the youngest, “2” for the middle group, and “3” for the oldest. For demographic variables with two groups, Independent t Tests were used to analyze mean differences on scale items. Gender and marital status responses were coded as “1” for males and single, and “2” for females and married. Responses for employment were coded “1” for not working and “2” for working. Correlation analysis was used to analyze demographic variables with interval or ratio level data or anything that approximates an interval ratio level scale. Correlation analysis was also used to answer the fourth research objective which was to determine the relationship between club member satisfaction and the remembrance of preferences by employees.

Applicable information that was collected from this study was used to design a marketing tool for the private clubs that participated. This comprehensive member preferences sheet was developed based on the data that was collected during this study. The goal of this tool is to provide club managers with information that could be useful in
the retention of current members, obtain higher levels of member satisfaction, attract of new members, and reduce marketing costs. The data can also be shared with other clubs to assist in reciprocal efforts by making members feel at home and more satisfied even while at a reciprocal club.
CHAPTER IV

RESULTS

This study was designed to gain a better understanding of the prevalence of database marketing (DBM) in the private club industry and to determine if member preferences vary according to demographic characteristics. It also sought to determine if satisfaction levels improve as remembrance of preferences improve. This study is in response to the researcher’s personal interest in private clubs and due to the lack of research in this field (Barrows and Ridout, 2010).

Qualitative Findings

The first objective of this research study was to determine the prevalence of DBM in the private club industry. Six general managers of private clubs participated in a focus group to help explore this issue. To ensure clarity and consistency, a definition was provided by the researcher who acted as the focus group facilitator. The definition of DBM, which was provided to the group, was from DeTienne and Thompson (1996), stating that DBM is derived from direct marketing, relationship marketing, and CRM. It was further described as a systematic collection process of information regarding past, current and potential customers. When accurately maintained in a database this information can help develop marketing strategies to attract new customers while fostering more personal relationships with current customers.

Current Usage of DBM

Three managers spoke of ways in which they use DBM externally, specifically to attract new members. Two managers received lists of new home owners in a specific zip
code area or radius from the club. Another manager spoke about receiving lists of businesses that did not currently belong to the club that he represented. Both of these tools were used by the clubs for marketing to potential members.

“We retrieve lists of new people moving into the community based on zip codes and we try to use these to market to new people coming into the community.” (Private club manager A)

“We have a realtor that has a database with names of potential businesses in the downtown area. A way we use those lists is to invite potential new members to the club for receptions. We draw on specific firms and company committees that might be a good fit for us.” (Private club manager D)

The other three managers mentioned using DBM internally to target e-mails based on demographic characteristics of members based on certain interests. By doing this, the goal was to avoid bombarding uninterested members with information that was not important to them.

“All of our marketing is done on an internal basis and we don’t use a specific CRM program but we do use some of the features of our accounting program, Jonas, to segregate our membership and use features to target mail or e-mails to golfers, swim team parents or what not. It’s pretty basic but it’s easy for our accounting system to kind of divide up the club. Another thing that we do is look at demographics and periodically to see who is using the club more and try to reward them. For members’ who don’t use it very much, we subtly offer them some incentives or promotional discounts just to try to get them there. We’ll try
to increase their usage and it will be kept track of in our database.” (Private club manager E)

Internal DBM Uses and Potential Benefits

Further probing about internal DBM related to strengthening relationships with current members brought about answers from all six managers, despite three managers originally omitting this.

“Our dining room staff does that, although not in a true database form. They have a journal where they record some of the favorite things of our members. It is one of the things that we definitely want to work toward. We’ve looked at some of the programs that are out there and some of them get more involved than I think we’re ready for. We are going to head in that direction though, no doubt.” (Private club manager E)

“We use Jonas software’s loyalty program. You can go in at any time and have my members rated by how much they spent in the club on every category, how many times they come in, and what they are eating. Then you can keep track of it…and I send out a letter saying “thank you so much for your patronage… here’s dinner for two for making the club your number one spot for dining”. ” (Private club manager C).

...”you pretty much can track how much merchandise you sold to males or females and how many large shirts you sold so I kind of think it leads to a lot of what you’re talking about with DBM. In our pro shop and in our dining room
area you can really detail the preferences of your current membership.” (Private club manager F)

Five out of six of the managers were using Jonas Software as the club database. The other manager was using a comparable program. These are accounting programs that have become more sophisticated and provide many of the same capabilities as DBM specific programs. Detailed questioning about current software program capabilities and benefits brought about several answers including tracking usage and spending in specific departments, storing preferences such as food allergies, and providing members with a personalized experience. Personalized experiences can range from providing birthday or anniversary greetings to simply identifying the member by name.

“Jonas also has the ability to put photographs in the system. So if a server knows that Mr. Jones is coming in for dinner, they can go into the system and see a picture of him and his family so they can provide that recognition.” (Private club manager E)

“It’s really fantastic for remembering preferences and the servers can access it as well as the managers so they can look in the system and see what members like as far as wine and different foods… They can get in there and see when their birthdays are, and what wines they have had. That program provides all of that so that’s one reason to invest in it.” (Private club manager D)

Managers agreed that internal uses of DBM can strengthen relationships with current members. Two of the managers mentioned storing preferences into journals; they had not started using databases. All managers agreed that storing member preferences
would be beneficial and although they do not currently utilize their program’s full potential, they are planning to implement more internal DBM techniques in the future.

**Potential Barriers to Implementing a DBM Program**

Two managers mentioned time constraints and staff shortages as a reason for not fully implementing DBM programs. The last several years has brought about many challenges for the private club industry, resulting in reduction of staff size.

“The allocation of our staff resources is a problem. We’ve all gone through this the last few years where we have eliminated jobs and we’ve doubled up work on people and therefore, even with how important this information is to all of us there is a prioritization of what we can and can’t get based on the work load that we push on to our employees.”  (Private club manager F)

One manager felt that internal DBM could potentially be a nuisance to current members by bombarding them and risking the relationship that already exists.

“You can only inundate the members that you have so much. These people use your club all the time so you don’t want to create any personal issues with people that are already good members.”  (Private club manager C)

Two managers spoke about the possibility of relationships becoming less personal with the use of DBM due to the technology. They viewed personal recognition as a key reason for members to join and continue with their membership. They felt that technology may lead to depersonalization which could jeopardize the reputation of the club and lead to decreases in membership.
Due to high costs associated with club memberships, one manager was fearful of getting the right type of client through external marketing DBM efforts.

“The best resource I have to get new members is the members I already have. They are going to know a lot of people, they are out there in all these groups, whether it is professional or whatever it is in the community so they are the best resource I have. I can go ahead and use a database to give me 50 names but I really don’t know who they are. I don’t know what their character is, or what the relationship may become.” (Private club manager D)

Important Member Preferences to Track

Club managers had several suggestions about preferences that would be beneficial to track. These answers helped guide the development of the member survey. Seating location preferences, server requests, food allergies, food specifications, drink specifications, and personal information including birthdays and anniversaries were all mentioned. Further probing from the researcher sought to uncover the most important member preference. All managers agreed that although it is not a preference, remembering a person’s name is the most important item that managers should be able to recall about them. One manager also mentioned that in addition to their name it may be nice to remember their birthday or anniversary.

“The main thing is linking that face to a name.” (Private club manager E)

To help clubs achieve the goal of remembering names, one manager spoke about a new game for servers. Other managers had heard of the game and agreed that it was a
great resource which provides rewards for good results and therefore is a great motivator to staff members.

“There’s a new tool out for servers called “name that member”. It is a part of a software system and a picture will pop up for the server to name. That has some merit. We have used it as a game and rewarded servers if they get a certain amount right.” (Private club manager A)

Current Level of Overall Satisfaction

Club managers felt that as a whole their membership was satisfied but that there was room for improvement. By acknowledging member behaviors and habits, management can gain a true gauge of satisfaction levels and adjust strategies accordingly.

“A good gauge is to watch the revenues and listen to what the members have to say. If the revenues are good then it is more likely that the members are satisfied with what you are offering. If the revenues start to dip you need to look at certain areas and figure out the problems. We keep an eye on it to try to keep satisfaction levels up.” (Private club manager C)

“We brought in a new chef, food and beverage manager, my position, and so on. But by doing that it was generating a new found excitement and just in one year since we did all that our revenues just in dining alone are up 49%. In the last six months it’s up 68% and that’s telling me that members are excited to come to the club. We have found a niche that they want to be involved in, and they’re using it.” (Private club manager B)
“I’d say that about 90% are satisfied. We do a really good job trying to satisfy our members but the ala cart dining area is always a challenge.” (Private club manager A)

**Reciprocity**

Club managers all agreed to have reciprocal arrangements with other clubs. Some clubs are more actively involved and share reciprocity with numerous clubs.

“I have reciprocity with everybody. I’ll agree to it with anybody who wants me.”  

(Private club manager C)

Other managers use it on a limited basis as a way to accommodate members during times when the club is closed or in situations where a participating club has additional services that can be offered to members. Managers agreed that it can add value to their club and to the members.

“As far as reciprocity, we have seven clubs that we allow our members to utilize. Again, from the smaller club perspective it adds up when you’re able to do that. When there are other clubs that are involved it helps them too.” (Private club manager B)

Club managers discussed sharing of information about member preferences with participating reciprocal clubs. Manager’s opinions on this topic were divided. Four of the managers stated that the only information that is typically shared is whether or not the member is in good standing financially as well as what the member’s name and number are. The other two managers shared and received more information with reciprocal
clubs. One manager simply responded by saying that they do share information, while the one manager provided a more detailed response.

“If someone is coming to dinner at our club we ask questions. A lot of times if I get feedback from one of my members about a club they went to then I will call the manager and share that information. I wouldn’t want my member to go somewhere and have a bad or good experience without saying something. That’s something I would want to know about.” (Private club manager D)

**Benefits of Implementing a DBM Program**

Club managers agreed that the implementation of a DBM program would be beneficial to their clubs. All of the managers felt that such programs could maximize the personal relationships that clubs have with their members. That concept is a core principal for clubs and DBM could improve those relationships.

“I think that any type of value or what a member feels is value, such as personal service is really what the industry continues to be and is the right thing to do going forward.” (Private club manager F)

“In the old days clubs could survive because the commercial sector wasn’t always good. Now the commercial world has great restaurants and great services so anything that clubs can do to maximize the competitive edge that they do have, which is the inter-relationships with personal knowledge of what your members like and dislike should be done. Anyway to capitalize off of that is an advantage that clubs have over the commercial sector.” (Private club manager E)
Quantitative Findings

Quantitative objectives were to determine how club members’ desires for remembrance of their personal preferences by country club employees vary based on various member demographic factors including gender, membership type, marital status, age, and employment. Another objective was to determine the relationship between how satisfied members are with the level of personalized service provided by country club employees and members’ overall satisfaction with the country club and to determine club members’ satisfaction levels with the level of personalized service provided by reciprocal clubs.

Demographic Characteristics and Descriptive Statistics

Demographic characteristics of the respondents can be seen in Table 1. The majority of respondents were males (72.9%), were married (80.1%), and 63.9% held full memberships at the clubs. Four categories of membership including full, social, honorary and business were created from fill-in responses provided by the members. The ages of the respondents were dispersed: 18-44 years old (12.3%), 45-64 years old (45.5%), and 65 years or older (42.2%). Majority of respondents (63.9%) were currently working, while 36.1% were not currently working. Reciprocal usage was reported by 40.4% of the respondents.

Descriptive statistics including reliability, mean scores, and standard deviations of all measured constructs can be seen in Table 2. Coefficient Alpha was .890 for the importance of remembrance of club member preferences construct. Coefficient Alpha for the constructs of member satisfaction with remembrance of preferences at the home
club was .893 and member satisfaction with remembrance of preferences at the reciprocal clubs measured at .929. Coefficient Alpha for overall satisfaction with the home club was .909. These reliability scores for all constructs were well above the recommended .70 level (Nunnally, 1978).

For each of the Likert-type scale items in the importance of remembrance of club member preferences construct, the scores ranged from 1 (Not Important) to 5 (Very Important). Mean scores for the nine items ranged from “low importance” to “neutral” (2.08-3.30). The item food limitations based on religious beliefs had the lowest mean score of all the scale items with an average mean score of 2.08. The item food preferences had the highest mean score of 3.30. Scores below 3.00 suggest low importance while items with a mean higher than 3.01 suggest some degree of importance.

For each of the Likert-type scale items in the member satisfaction with remembrance of preferences at the home club construct, the scores ranged from 1 (not at all satisfied) to 5 (extremely satisfied). Mean scores for the nine items ranged from “moderately satisfied” to “very satisfied” (3.01-3.80).

For each of the Likert-type scale items in the member satisfaction with remembrance of preferences at the reciprocal clubs construct, the scores ranged from 1 (not at all satisfied) to 5 (extremely satisfied). Mean scores for the nine items fell into the “moderately satisfied” range (2.63-3.36). Lower mean scores for member satisfaction with the remembrance of preferences at reciprocal clubs indicate that reciprocal arrangements fall short on delivering personalized services.
For each of the Likert-type scale items in the overall satisfaction with the home club construct, the scores ranged from 1 (strongly disagree) to 5 (strongly agree). Mean scores for the three items fell into the “somewhat agree” to “strongly agree range” (4.38-4.56). High mean scores for overall satisfaction with the home club indicate that the majority of members are generally satisfied with their home clubs.

Further examination addressed the relationship between the demographic variables gender, membership type, marital status, age, and employment with some or all of the scale items. Variables were measured through a combination of Independent t Tests, ANOVA, and correlation analysis. The results from these tests were used to answer the third, fourth, and fifth research objectives of determining how desires for remembrance of member preferences varied according to aforementioned demographic characteristics and the relationship between member satisfaction with remembrance of preferences at the home and reciprocal clubs and overall satisfaction with the home club.

**Independent t Tests**

As shown in Table 3 gender data were gathered from 202 males and 75 females, with a male sample mean of 24.61 ($SD = 8.12$) and a female sample mean of 29.51 ($SD = 8.63$) for the importance of remembrance of club member preferences construct. The range for each construct was from nine to 45 because there were nine items in each construct. The means reported are the total scores for the entire construct. This construct was the only one to show any significant differences between males and females.

According to Levene’s test, the homogeneity of variances assumption was satisfied ($p =$)
The Independent $t$ Test indicated that the gender means were statistically different ($t = -4.387$, $df = 275$, $p = .000$). Females place greater importance on this construct.

Marital status is displayed in Table 4. Two hundred twenty-two respondents were married and 55 were single. The Independent $t$ Test indicated no statistical differences between marital groups and any of the constructs.

Employment information was gathered from 177 employed members and 100 unemployed members. As shown in Table 5 the constructs *member satisfaction with remembrance of preferences at the home club* and *overall satisfaction with the home club* showed significant differences between those who were working and those who were not. For the *member satisfaction with remembrance of preferences at the home club* construct employed respondents sample mean was 30.64 ($SD = 8.76$) and the unemployed sample mean was 32.54 ($SD = 6.70$). According to Levene’s test, the homogeneity of variances assumption was not satisfied ($p = .032$). The Independent $t$ Test indicated that the employment means were statistically different ($t = 2.024$, $df = 250.935$, $p = .044$). Unemployed members placed greater emphasis on this construct.

For the *overall satisfaction with the home club* construct, employed respondents sample mean was 13.16 ($SD = 2.09$) and the unemployed sample mean was 13.91 ($SD = 1.72$). According to Levene’s test, the homogeneity of variances assumption was not satisfied ($p = .003$). The Independent $t$ Test indicated that the employment means were statistically different ($t = 3.197$, $df = 237.056$, $p = .002$). Unemployed members placed greater emphasis on this construct.
The four membership types were analyzed with the four constructs to see if there were differences between the group variances. Majority of respondents were full members \((n = 177)\), 48 were social, 28 were business, and 24 were honorary. There were no significant differences among types of memberships and the four constructs \((p > .05\) level).

Age groups were analyzed with the four constructs to detect any variances that may be present. Respondents were grouped into three categories 18-34 years old \((n = 34)\), 45-64 years old \((n = 126)\), and 65 years or older \((n = 117)\). No statistical differences were found among different age groups and any of the four constructs \((p > .05\) level).

**Correlation Analysis**

The Pearson correlation between the length of membership and *overall satisfaction with the home club* is .12, which is positive, has a small effect size, and is statistically different from zero \((r = .12, p < .05)\). The correlation between length of membership and *overall satisfaction with the home club* is statistically significant. This positive relationship indicates that the longer someone belongs to a club, the more satisfied they may become.

The Pearson correlation between the distance a member travels to get to the club and annual spending was reverse coded and resulted in a .13 correlation, which is positive, has a small effect size, and is statistically different from zero \((r = .13, p < .05)\). The correlation between the distance a member travels and annual spending is
statistically significant. There is a positive relationship between a person who lives close to a club and high annual spending.

Continuing with annual spending, the Pearson correlation between annual spending and overall satisfaction with the home club is .13, which is positive, has a small effect size, and is statistically different from zero ($r = .13, p < .05$). The correlation between annual spending and overall satisfaction with the home club is statistically significant. There is a positive relationship between members who spend more at a club annually and those who are more satisfied overall.

The Pearson correlation between club usage and overall satisfaction with the home club is .27, which is positive, has a medium effect size, and is statistically different from zero ($r = .27, p < .05$). The correlation between club usage and overall satisfaction with the home club is statistically significant. There is a positive relationship between a member uses the club often and those who are more satisfied overall.

The Pearson correlation between member satisfaction with remembrance of preferences at the home club and overall satisfaction with the home club is .32, which is positive, has a medium effect size, and is statistically different from zero ($r = .32, p < .05$). The correlation between satisfaction with remembrance of preferences at the home club and overall satisfaction with the home club is statistically significant. This positive relationship suggests that the more club employees remember about individual members, the more satisfied they may be overall.
Open-Ended Question

The survey included an open-ended question asking what two preferences were most important for club staff to remember. Results are displayed in Table 6. The most prevalent answers were name \((n = 69)\), drink preference \((n = 42)\), and information regarding personal or family life \((n = 23)\). According to mean scores, food specifications had the highest mean score \((3.30)\) in the *importance of remembrance of club member preferences* construct but only received 7 written responses from the open-ended question. Food limitations based on religious beliefs had the lowest mean score \((2.08)\) and received only two written responses from the question. Answers provided by respondents will be used to complete the second research objective of compiling a list of preferences that would be beneficial to track. These items as well as the highest scoring items from the survey construct *importance of remembrance of club member preferences* are displayed in Table 7.
CHAPTER V
DISCUSSION

The main objective of the qualitative portion of this research was to determine the prevalence of database marketing (DBM) in the private club industry. Minimal research on the subject (Barrows and Ridout, 2010) prompted the development of this objective. Results from a focus group with private club managers revealed that DBM is being used in the club industry, however it may not being utilized to its full potential. The private club industry is known for personalized service and therefore is behind many other industries when it comes to technological advances (IBIS World Inc., 2010). The focus group revealed that club software systems offer many of the capabilities of DBM programs but clubs are not taking advantage of all the offerings. Managers agreed that the potential to lose the personal relationship with members is a primary concern as well as not having the man power to dedicate to the timely nature of developing DBM programs. Ready (2009) stated that club memberships are emotional purchases and more personalized marketing strategies should be considered by management. Strategies should be developed to create long-lasting relationships with new members and enhance relationships with existing ones. While management’s fear of DMB being too intrusive and of potentially losing personal relationships is warranted, proper implementation of a relevant DBM program can result in relationships being fostered rather than harmed. Managers agreed that benefits from successful DBM programs could outweigh any of the potential impacts.
Studies conducted by Merritt and Fojtik (1998), and Kasavana and Knutson (2000) helped support the findings from the focus group. Implementation of DBM can provide rich information to management on members’ preferences which could lead to stronger relationships, higher membership retention rates, and increased satisfaction among members. Private clubs have an advantage over other industries due to the large amount of information they have regarding existing members. As the relationship grows, the information continues to increase. The availability of this information makes private clubs ideal candidates for DBM systems (Kasavana & Knutson, 2000).

The quantitative component of this research had four objectives. One objective was to develop a list of member behaviors and preferences that would be beneficial to track and to create a list based on those facts that will assist clubs in the implementation of DBM. From the results of the survey it is evident that there are a number of items that clubs should track. According to members, the most important item for a club employee to know is a member’s name. In a private club, status is often a main motivation for membership. Recognition of members could further solidify the status that members are trying to achieve (IBIS World Inc., 2010). Back and Lee (2009) agree that image congruence has a positive effect on member satisfaction. Other preferences that members deemed important were drink preference, and personal information such as birthdays and anniversaries. These answers were all written by members in response to an open-ended question regarding the most important preferences to remember. Food preferences received the highest mean scores in the importance of remembrance of club member
preferences construct, indicating that employees should track member specifications in this category as well.

The next objective of this research was to determine how club members’ desires for remembrance of their personal preferences by private club employees vary based on various member demographic factors including gender, membership type, marital status, age, and employment. Results indicated that gender and employment showed significant variance. Females responded to having much higher expectations of employees remembering their preferences. A possible explanation for this is that the minority of respondents (27.1%) were female. It is possible that those female members who consider the remembrance of preferences to be most important were the ones who responded to the survey. Another explanation is simply that females have higher expectations of the remembrance of preferences from employees. Also, members who were not working were more satisfied with constructs member satisfaction with remembrance of preferences at the home club and overall satisfaction with the home club. A possible explanation for this is that members who do not work are more able to appreciate club services because they are not experiencing stress from employment.

A third objective was to determine the relationship between how satisfied members are with the level of personalized service provided by country club employees and members’ overall satisfaction with the country club. According to this research, there is a positive correlation between members who are more satisfied with the remembrance of preferences by club employees and their overall satisfaction with the club. According to Ready (2009) most club members who resign will do so after the first
year of membership. It is critical to gain personal information on and build strong relationships with new members as quickly as possible. DBM programs can be helpful in strengthening these relationships. This research suggests that the more satisfied a member is with the remembrance of preferences by employees, the more likely they are to be satisfied. According to Back and Lee (2009), member satisfaction has a positive correlation to member loyalty. This research indicated that the longer a member retains membership at the club the more satisfied they will be.

The final objective of this research was to determine club members’ satisfaction levels with the level of personalized service provided by reciprocal clubs. According to this research members were less satisfied with the level of personalized services at reciprocal clubs than they were with the same services at home clubs. Every item from the construct, satisfaction with remembrance of preferences at reciprocal clubs received lower mean scores than those same items from the construct, satisfaction with remembrance of preferences at home club. A possible explanation for this result is that employees become more familiar with members they see on a regular basis and therefore become more aware of their preferences. As a result, they are able to provide members of the home club with more personalized services. Because reciprocal members only visit clubs occasionally, it would likely be difficult for employees to remember their personal preferences.

**Managerial Implications**

It has been a difficult decade for private clubs. An abundance of clubs combined with higher unemployment rates and an unstable economy has resulted in declining
membership rates (IBIS World Inc., 2010). Managers must focus on enhancing relationships with current members. DBM programs can improve relationships with club members by giving managers the ability to store and retrieve preferences that are deemed important to members (Kasavana & Knutson, 2000). This research suggests that by increasing satisfaction levels with the remembrance of club members’ personal preferences, the overall satisfaction will also improve. Back and Lee (2009) indicated that overall satisfaction is directly linked to member loyalty. This is critical for managers to consider since new members are not coming in as quickly as they once did. Proper training of employees is necessary to make DBM programs successful and should become a main priority of managers.

DBM programs can also benefit managerial strategies focused on attracting new members more effectively. This research found two factors which could be useful in target marketing strategies. Correlation analysis showed that the closer a member lives to a club the more they spend at that club annually. When marketing to new members, managers should focus on individuals who live within a five mile radius of the club. There was a positive correlation between members who spend more annually and those who have higher overall satisfaction levels. By attracting members who live close the club, managers may acquire members who will be more satisfied than those who live farther distances from the club. Barrows and Ridout (2010) agree that by further analyzing spending patterns of members, clubs can improve upon retention.

Another factor that could be helpful to managers is to focus on increasing club usage. Correlation analysis indicated a positive relationship between members who use
the club more frequently and overall satisfaction levels. During the focus group it was revealed that target e-mails to certain demographics can be an effective way of increasing club usage without inundating members with information that is not important to them. Barrows and Ridout (2010) suggest that future research into club members’ interests can promote retention.

It is possible that managers could also improve satisfaction levels with reciprocal clubs by enhancing DBM efforts. By sharing, receiving, and storing information regarding reciprocal member preferences, staff members may be more likely to provide personalized services to them during the visit and during future visits. Improving upon these interactions could create mutually beneficial relationships with reciprocal clubs. One challenge that management may face is the issue of privacy. Home clubs may be reluctant to share too much personal information with other clubs without the permission of members. This point was mentioned during the focus group as a concern from one manager.

**Limitations**

Due to the design of this research, this study has the following limitations.

1. Results cannot be extended to private clubs other than the ones used in this study.
2. Although this research included managers and club members from city clubs and country clubs in the Northeastern Ohio area, it did not include yacht clubs, golf clubs, tennis clubs, or fitness clubs. Therefore, results cannot be extended to other contexts.
3. Because participation in the focus group was voluntary, managers’ opinions may not be reflective of other club managers.

4. Because the survey questionnaires were sent by mail and given a return deadline, it may be a less representative sample if not all members were in town at the time of the mailing.

**Future Research**

While this research examined the opinions of members of private clubs and managers, it did not look at the opinions of other employees. Since the remembrance of preferences rests on these employees, it would be beneficial to involve them in future research. To extend upon this concept, it would also be interesting to monitor the differences between full-time, part-time, and seasonal private club employees.

Replication in other private clubs across the United States is needed to determine whether geographic location and other factors not identified in this research could impact the overall satisfaction based on the remembrance of preferences. A repeat of this survey would also be necessary to see if the preferences reported by members are important to private club members outside of the Northeastern Ohio area. This will improve generalizability of the findings.

A training program pertaining to the remembrance of member names and important preferences could be developed for club employees. Effectiveness of the training program could be tested using a pre-test/post-test methodology. Program success in everyday operations can be tested by monitoring club usage and annual spending, which are both higher when overall satisfaction has improved. The program could be
extended to reciprocity efforts by using a pre-test/post-test methodology for members who visit reciprocal facilities.

A marketing plan for clubs could be designed by targeting new members within a close geographical radius to the club due to their capacity for higher annual spending and overall satisfaction compared with members who live greater distances from the club. Program success could be monitored by testing the number of new members who join compared with other marketing campaigns. Barrows and Ridout (2010) emphasize the need for continued research in clubs especially pertaining to marketing objectives and strategic planning.
APPENDICES
APPENDIX A
KSU INSTITUTIONAL REVIEW BOARD APPROVAL FORM
Appendix A
KSU Institutional Review Board Approval Form

KENT STATE UNIVERSITY

KSU CONSENT FORM

Consent Form: Implementation of Database Marketing in Private Clubs

I am conducting research on the prevalence of database marketing in private clubs and trying to determine which preferences and behaviors are important to you, as members, to have tracked by your club. I also need some demographic information to supplement the preferences and behaviors. The past decade has brought about several challenges for private clubs and this research is an attempt to alleviate some of those challenges. Your club has agreed to participate in this research and therefore has provided me access to your e-mail information to send you a survey about demographics, member preferences, and satisfaction. The survey should take approximately five minutes to complete.

Confidentiality will be maintained by limits of the law. The responses will be received directly by me. I am the only one who will see your responses that will be held in the strictest confidence and reported only as group data. No identifiers will be associated with the information you provide.

If you choose to participate in this survey your club may be better able to accommodate your specific preferences in the future. Participation in this survey is completely voluntary and the club will not know which members have or have not completed the survey.

If you want to know more about this research project, please call me at 330-565-6637, or Swathi Ravichandran at 330-672-7314. The project has been approved by Kent State University. If you have questions about Kent State University’s rules for research, please call Dr. Peter Tandy, Acting Vice President of Research, Division of Research and Graduate Studies (Tel. 330-672-2704).

Sincerely,

Mandy Ulicney

Division of Research and Sponsored Programs
117 Cartwright Hall • P.O. Box 5190 • Kent, Ohio 44242-0001
330-672-2851 • Fax 330-672-2658 • http://www.kent.edu

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APPENDIX B
FOCUS GROUP QUESTIONS
Appendix B
Focus Group Questions

1. Define DBM. Researcher will define the term to make sure all group members have the correct definition.

2. Do you employ any DBM techniques currently?
   If yes, what are they? If no, why not?

3. How exactly do you use databases to market to or communicate with your members?

4. What do you feel are some potential benefits of DBM for your particular club?

5. What, if any, are some barriers that you may have while implementing a DBM program into your club?

6. What preferences or behaviors do you feel members would like tracked?

7. What do you think that members feel are the two most important preferences or behaviors to track? Why?

8. What do you feel is the current level of satisfaction among your members with your club?

9. What do you feel is the current level of satisfaction among your members and reciprocal clubs and among reciprocal members who come to your club?

10. Do you currently share any member information with reciprocal clubs? Do reciprocal clubs share any member information with you?

11. Do you feel that DBM techniques could be helpful to your club?
APPENDIX C
MEMBER SURVEY
Appendix C
Member Survey

Thank you for participating in this survey. If you choose to participate please mail your responses back by May 20, 2011.
Please answer the following questions to the best of your knowledge:

1. Are you:
   - □ Male
   - □ Female

2. How far do you live from the Club?
   - □ Less than 1 mile
   - □ 1-5 miles
   - □ 6-10 miles
   - □ 11-15 miles
   - □ 16+ miles

3. How long have you been a member at the Club? ____________

4. Please indicate your membership type: _______________________

5. What is the make-up of your family:
   - □ Married with children under age 23 living at home
   - □ Married without children living at home
   - □ Married with no children
   - □ Single with children under age 23 living at home
   - □ Single without children living at home
   - □ Other: __________________________

6. What is your current age?
   - □ 18-34
   - □ 35-44
   - □ 45-54
   - □ 55-64
   - □ 65-74
   - □ 75 or older

7. Which of the following most closely reflects your current employment status?
   Please select only one answer.
   - □ Working full-time
   - □ Working part-time
   - □ Homemaker
   - □ Retired
   - □ Unemployed
   - □ Other: __________________________

8. Which of the following most closely reflects your current Club usage?
   - □ Daily
   - □ 3-6 times per week
   - □ 1-2 times per week
   - □ Less than one time per week
   - □ Other: __________________________

9. What would you estimate is your average annual expenditure at the Club excluding dues and assessments? ___________________

10. Approximately how often do you visit a reciprocal Club?
     - □ Often, at least 1 time per week (52+ visits per year)
     - □ Regularly (12-51 visits per year)
     - □ Occasionally (1-11 visits per year)
Never (0 visits per year)

When answering the questions below, indicate how important it is for staff at YOUR club and at RECIPROCAL clubs to remember each of the following preferences.

Not Important - Low Importance - Neutral - Somewhat Important - Very Important

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<tr>
<td>11. Food Preferences including Taste and Cooking Temperatures</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>12. Food Allergies</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>13. Food Limitations/Specifications based on Religious Beliefs</td>
<td>2</td>
<td>3</td>
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<td>14. Alcoholic/Non-Alcoholic Beverage Preferences including type of Pour, type of Glass, Brand, and Preparation</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</tr>
<tr>
<td>15. Dining Reservation Time Preferences</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
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<tr>
<td>16. Requests for Particular Dining Tables/Rooms/Locations at the Club</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
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<tr>
<td>17. Individualized service requests such as table setting and clearing procedures and order of service for guests at the dining table</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>18. Requests for Specific Servers/Bartenders at the Club</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>19. Information regarding your Personal or Family Life such as Birthdays, Anniversaries and other memorable events</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</table>

When answering the questions below, indicate how satisfied you are with the level of personalized service at YOUR club.

Not at all satisfied - Slightly satisfied - Moderately Satisfied - Very Satisfied - Extremely Satisfied

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<td>20. Food Preferences including Taste and Cooking Temperatures</td>
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21. Food Allergies

22. Food Limitations/Specifications based on Religious Beliefs

23. Alcoholic/Non-Alcoholic Beverage Preferences including type of Pour, type of Glass, Brand, and Preparation

24. Dining Reservation Time Preferences

25. Requests for Particular Dining Tables/Rooms/Locations at the Club

26. Individualized service requests such as table setting and clearing procedures and order of service for guests at the dining table

27. Requests for Specific Servers/Bartenders at the Club

28. Information regarding your Personal or Family Life such as Birthdays, Anniversaries and other memorable events

When answering the questions below, indicate how satisfied you are with the level of personalized service at RECIPROCAL clubs that you visit: If you NEVER visit reciprocal clubs then skip to question #38.

Not at all satisfied - Slightly Satisfied - Moderately Satisfied - Very Satisfied - Extremely Satisfied

29. Food Preferences including Taste and Cooking Temperatures

30. Food Allergies

31. Food Limitations/Specifications based on Religious Beliefs
32. Alcoholic/Non-Alcoholic Beverage Preferences including type of Pour, type of Glass, Brand, and Preparation

33. Dining Reservation Time Preferences

34. Requests for Particular Dining Tables/Rooms/Locations at the Club

35. Individualized service requests such as table setting and clearing procedures and order of service for guests at the dining table

36. Requests for Specific Servers/Bartenders at the Club

37. Information regarding your Personal or Family Life such as Birthdays, Anniversaries and other memorable events

38. What two preferences or behaviors would you most like staff members to remember about you?

When answering these member satisfaction questions below, please indicate how much you agree with the following statements:

Strongly Disagree-Somewhat Disagree-Neither Agree Nor Disagree-Somewhat Agree-Strongly Agree

39. I am happy with my decision to join this club

40. I believe I did the right thing by keeping my membership at this club

41. Overall, I am satisfied with this club
APPENDIX D
KSU CONSENT FORM A
KSU CONSENT FORM A

Consent Form: Implementation of Database Marketing in Private Clubs

I am conducting research on the prevalence of database marketing in private clubs and trying to determine whether the implementation of database marketing would be beneficial to private clubs. The past decade has brought about several challenges for private clubs and this research is an attempt to alleviate some of those challenges. I have obtained your e-mail addresses by accessing the Club Managers Association of America, Greater Cleveland Chapter website. If you agree to participate you will be asked to attend a focus group on a date and time agreed upon by the majority of the group.

The focus group will be audio recorded and participants will have access to the tape(s) if so requested. The audio tape(s) will be stored in a secure location that only the researcher has access to.

If you choose to participate in the focus group your club will be provided with generalized results at the end of this research study. The results may help you better position your club for better satisfying the needs of members. Participation in this focus group is completely voluntary.

If you want to know more about this research project, please call me at 330-565-6637, or Swathi Ravichandran at 330-672-7314. The project has been approved by Kent State University. If you have questions about Kent State University’s rules for research, please call Dr. Peter Tandy, Acting Vice President of Research, Division of Research and Graduate Studies (Tel. 330-672-2704).

Sincerely,

Mandy Ulicney

Signature:_________________________________________

Date:___________________________________________
Appendix E
KSU Consent Form B

KSU CONSENT FORM B

Consent Form: Implementation of Database Marketing in Private Clubs

I am conducting research on the prevalence of database marketing in private clubs and trying to determine which preferences and behaviors are important to you, as members, to have tracked by your club. I also need some demographic information to supplement the preferences and behaviors. The past decade has brought about several challenges for private clubs and this research is an attempt to alleviate some of those challenges. Your club has agreed to participate in this research and therefore has provided me access to your e-mail information to send you a survey about demographics, member preferences, and satisfaction. The survey should take approximately five minutes to complete.

Confidentiality will be maintained by limits of the law. The responses will be received directly by me. I am the only one who will see your responses that will be held in the strictest confidence and reported only as group data. No identifiers will be associated with the information you provide.

If you choose to participate in this survey your club may be better able to accommodate your specific preferences in the future. Participation in this survey is completely voluntary and the club will not know which members have or have not completed the survey.

If you want to know more about this research project, please call me at 330-565-6637, or Swathi Ravichandran at 330-672-7314. The project has been approved by Kent State University. If you have questions about Kent State University’s rules for research, please call Dr. Peter Tandy, Acting Vice President of Research, Division of Research and Graduate Studies (Tel. 330-672-2704).

Sincerely,

Mandy Ulicney
APPENDIX F
FOCUS GROUP TRANSCRIPTION
Mandy- Are all of you familiar with DBM? It is a way to market to customers in which you specifically draw on customers based on remembering preferences, storing them and then retrieving information to create more specialized relationships with them. It was derived from CRM.

Group-Yes

Mandy-Do you use DBM at the clubs currently?

Bob LaFever-We retrieve lists of new people moving into the community based on zip codes and we try to use these to market to new people coming into the community.

Rob-We do as well. Ours is within a 30 mile radius to try to draw on golf type memberships. We also try to look at specific salary ranges.

Stacy-We were doing more toward the operational end of things, like what they like to do in the clubhouse but now we’re moving out of that into what clubs they are involved in with their children and what things they are involved in outside the club. We are then trying to target those like-minded people.

Me-How are you finding out what things they are involved in or what they like and dislike?

Stacey-Generally we find out more about them through their applications. We have questions about what other clubs they belong to and what their interests are.

Claudio-We have a realtor that has a database with names of potential businesses in the downtown area. A way we use those lists is to invite potential new members to the club.
for receptions. We draw on specific firms and company committees that might be a good fit for us.

Rob J-All of our marketing is done on an internal basis and we don’t use a specific CRM program but we do use some of the features of our accounting program, Jonas to segregate our membership and use features to target mail or e-mails to golfers, swim team parents or what not. It’s pretty basic but it’s easy for our accounting system to kind of divide up the club. Another thing that we do is look at demographics and periodically to see who is using the club more and try to reward them. For members’ who don’t use it very much, we subtly offer them some incentives or promotional discounts just to try to get them there. We’ll try to increase their usage and it will be kept track of in our database.

Richard-We do none externally but internally mine almost mirrors Rob Josey’s. We have the same software package. It is done either on a recreational side, as Rob said, to golfers, and also we do it by age, families, or senior events that we may want to market to some specific sect of membership. On the internal side a lot of the DBM we try to find out who is most using our services and that is basically just a focus group from that point.

Me-It sounds like half of you are using DBM to attract new members and the other half is using it to strengthen the relationship with your current members. Is that true?

Group-Yes

Me-What I’m looking to do is mainly look at the ways that the ways that the relationships with the current members can be strengthened. Have any of you thought about recording into your software systems certain preferences, such as most preferred tee times, favorite
dining time, favorite server, and other things like that so the club could have access to
more detailed information on particular members.

Rob J-Our dining room staff does that, although not in a true database form. They have a
journal that where they record some of the favorite things of our members. It is one of
the things that we definitely want to work toward. We’ve looked at some of the
programs that are out there and some of them get more involved than I think we’re ready
for. We are going to head in that direction though, no doubt.

Bob-It is very time consuming to track all of those things about members but we have
“the red book”. Let’s say somebody is at the end of the rope as far as the club is
concerned…maybe they are late with paying their bills or constantly complain. We try to
track those issues in our red book and correct them. If they aren’t resolved after our
efforts then we feel there’s nothing else we can do.

Stacey-We use Jonas software’s loyalty program.

Me-Can you tell me a little bit more about that loyalty program.

Stacey- I do the same thing that Rob does on the other end too. If I have someone who
only spends their minimum then I send them a little note “where have you been”? So it’s
a great program. You can go in at any time and have my members rated by how much
they spent in the club on every category, how many times they come in, and what they
are eating. Then you can keep track of it like the rewards program that Rob was saying.
I sent out a letter saying “thank you so much for your patronage” here’s dinner for two
for making the club your number one spot for dining. Does anyone else use Jonas?
Rob R- Where I came from before we had Jonas and we were able to track right down to the golf balls they bought, shirt, shoes, all of that, so they would be tagged and their name would come up with what their preferences were. So, if you had a special coming up from Taylor Made or Titleist that might interest them there name would pop up on the screen and you can say “you know I have this promotion coming up and I know you’re a Titleist fan so you may want to put this on your calendar. Jonas is by far the best type of program that’s out there that offers that type of stuff.

Richard-To me what a lot of club managers have said there is true, there is also a perk in the golf proshops when you put together your open to buy programs you pretty much can track how much merchandise you sold to males or females and how many large shirts you sold so I kind of think it leads to a lot of what you’re talking about with DBM. In our proshop and in our dining room area you can really detail the preferences of your current membership.

Stacey-If you get a chance you should come and check it out…I don’t know who you are closest to but you are welcome to come to my club anytime and take a look.

Mandy-I would love to do that.

Stacey-They just keep coming out with all kinds of great things, oh geez, I sound like a commercial. No really all I have to do is refer to my reports.

Mandy-Now, if your Jonas software linked to your website so members can interact with it?
Stacey-We did not have that but I just implemented it. They can review their sales and chits on-line and we’re thinking about allowing bill payment on-line but there is a lot of expense on our end.

Claudio-We just bought Jonas a few months ago and we’re putting our catering program on their right now because it is a great database. We have a lot of history for the year but you were mentioning the website, and we are just picking our website program right now. It’s not through Jonas but they do have a phone application out right now which is really cool.

Rob R- If you have the opportunity to invest in a good program. There’s another one coming out too, it’s call TAI, it’s similar to Jonas and you can see all the same stuff on a day to day basis.

Mandy-So, do all of you feel that the investment in a program like Jonas is worth it considering all of the potential benefits.

Stacey-Absolutely!

Claudio-It’s really fantastic for remembering preferences and the servers can access it as well as the managers so they can look in the system and see what members like as far as wine and different foods.

Mandy-That brings up a good point, did you say that servers can access all of that information as well.

Claudio-Yes, in this program they can. They can get in there and see when their birthdays are, and what wines they have had. That program provides all of that so that’s one reason to invest in it.
Rob J-Jonas also has the ability to put photographs in the system. So if a server knows that Mr. Jones is coming in for dinner, they can go into the system and see a picture of him and his family so they can provide that recognition. Not that we use it but you can input a lot of other information as well.

Bob L-I think allergies would be a big one.

Mandy-I agree, I think allergies would be important to remember.

Rob R-One thing you are all going to find out is that their banquet and catering section is so good. He’s going to be able to sit at his desk and put in all the information while all of the servers will be able to see that information down the hall. The servers may or may not have the ability to make any changes to it; that would be your decision. It has a lot of capabilities so anything that you would put in the system that you want them to be able to see, they are going to be able to access it. It just makes it so much nicer to be able to look over events. We were able to see a write up of an event where they were in several different locations of the club. So you have all these different locations but all the same information available to view. It’s really cool stuff.

Stacey-There’s another facet of it, which is really great for servers. At the beginning of the night when I enter in the specials I can add in how many there are of each one so as they get sold it keeps track. You can go right into the program and type in how many you have so as the servers sells them they’ll know if there’s only one left that maybe they shouldn’t recommend it to a large table. I don’t know how many times we’ve been caught where we run out of something. A representative from the software program showed me how to use this part and it has been so helpful.
Claudio-I just wanted to mention that one of my members is in marketing and he represents a program called Taffee and it’s a program where you can type in your name and where you work and it will show everybody in that building by name, what company they work for and it can be used as a marketing tool to find out who the people are who aren’t members. If you’re in that building you can reach out to others and get to know them and invite them to the club. It’s called Taffee and it’s kind of expensive but I mentioned it to my board members because it’s really cool that it can spit out all of this information. It’s especially good for members who work downtown because you may have 20 potential members in one building that are connected in one way or another. When they are at the water fountain they can say hello and mention who they are. We’re looking at using that as an alternative marketing strategy as well.

Mandy-Yes, that sounds like it has great potential.

Claudio-Yes, it’s really helpful in getting information on people who work downtown.

Bob-Jonas can give you so much information on members such as age groups, like from oldest to youngest. Then you can take that information and look at certain things such as golf. So if you find out that certain members are leaving the club you can narrow it down to what age group they fall in, or how much they golf to see if you can identify a trend.

Rob-There’s a software program called ACT...are you familiar with it?

Mandy-I’m not

Claudio-I don’t use it but there’s a lot of clubs that do. It’s a database program that tracks your potentials. We set up ours like that on an excel program tracking when we
last called them, what they said, who their sponsors are, and we just track that all the time on a regular basis.

Rob-Does anyone else use ACT?

Group-No

Stacey-Is it worth it?

Rob-I don’t know, I’ve just always heard really good things about it.

Claudio-I hear it’s easy to use. It’s user friendly. When we do an excel spreadsheet, what we’re all familiar with, it takes a lot longer to do what we want to do.

Mandy-It sounds to me at this point that all of you are using some form of DBM in your clubs. Are there any barriers that are stopping you from going all the way? Many of you mentioned, I’m doing this but not this, or I’m not using this feature. Is there anything that stops you from implementing a full program?

Richard-The allocation of our staff resources. We’ve all gone through this the last few years where we have eliminated jobs and we’ve doubled up work on people and therefore, even with how important this information is to all of us there is a prioritization of what we can and can’t get based on the work load that we push on to our employees. That’s one of them for sure.

Rob J-I agree

Stacey-For me, the membership at the club has dropped a lot in the last year and we’re hoping to gain them back but there are just not that many people to draw from. You can only inundate the members that you have so much. These people use your club all the time so you don’t want to create any personal issues with people that are already good
members. We are trying to find ways to go after kids and grandkids to get them more excited.

Claudio-When you are a member of the club you are expected to bring members in and a lot of them said that they never knew that it was expected of them. They say they are glad to help. Otherwise, you can’t get new members. The best resource I have to get new members is the members I already have. They are going to know a lot of people, they are out there in all these groups, whether it is professional or whatever it is in the community so they are the best resource I have. I can go ahead and use a database to give me 50 names but I really don’t know who they are. I don’t know what their character is, or what the relationship may become. On paper you don’t know what that relationship is and whether or not they would be a good fit for our club. The database is good to find out where your members are and then they can reach out to different groups based on areas. Cold calling is not good. I would stay away from a cold call. If a member calls me on a cold call I will invite them in to see if they would be a good fit and then I’ll arrange for members to come in and meet this person. From there we only have a couple of those situations. Sometimes it takes years for that person to become a member because they need sponsorship. But, you know to an extent where we have our groups that members belong to, like councils or any non-profit group that is high profile we try to bring them in by having a reception and entertaining them. We don’t just want to drop a sales pitch to them but invite them in, get to know them, and give them a progressive tour of the club. It’s kind of a soft sell because we want to know who they are first and is there something here for the member. We don’t want them to join if they
are not a good fit because a year from now it won’t work out. About six years ago we did a promotion where you could bring a member in with no initiation; well the first ones to go were these members. It was because of the program, because they were brought in quickly. I said “look, these are the ones who are leaving”. They don’t have any interest in the club because they weren’t really part of it. You know those were the first ones who were out the door. If you want longevity in membership, my average member is 12 years, you should avoid those promotions.

Mandy-It sounds like what you’re fearful of is the loss of personalization and maybe you’re not quite sure who you’re getting with these marketing efforts?

Rob-in our business it is so important to have that face time. You get more and more away from talking to people one on one because of text messages, facebook, and all that’s out there. You need to be able to understand body language and what that’s all about. You just don’t get that in video conferencing, you can’t always see what’s going on, if people are fidgeting. That’s so important in our field.

Claudio-You can find information in magazines about who CEO’s are or who the employees are by salary. You know, we want to make sure that those people would be the right fit for our club. These people would probably fit their clubs too and maybe they should belong to a country club instead.

Mandy-Do many of your members hold memberships at other clubs?

Claudio-Yes, they belong to other clubs locally and where they vacation.

Bob-Many of my members belong to other clubs in Florida.
Stacey—Another barrier that I thought of is just having people to draw from. First of all the population in Youngstown is shrinking and a lot of people have left the area. There are no jobs for them.

Claudio—A big source for any club, whether it’s a country club or a city club is networking. Those are people who want to meet people socially, maybe those who have children. If I could subscribe to a list of new people who move into a community within a certain mile radius, I’d pay for it. It’s a great resource to have.

Rob—Do you belong to the Chamber?

Claudio—I don’t.

Rob—We have a tight relationship with our chamber to get in touch with all of these companies who are new in town. We also have another great resource called the welcome wagon and they are tied in with all the realtors. Once a month I get an e-mail from the girl from the welcome wagon of all the new homeowners.

Claudio—Is that a group of women who run that?

Rob—Yes, what they do is they take welcome packets to all the new homeowners.

Rob J—Are you more focused on learning about internal DBM? I think we’re getting off track.

Mandy—Yes, I am, but this information is still good to know.

Claudio—The big thing is guests, when we have events and guests come in we try to use their names. Depending on how often they come in we may offer them to come in as the club’s guest and then kind of show off to them. If they have guests we always ask them
for specifics and when we have club events we always invite non-member guests in to mingle with our members.

Mandy-You mentioned that you have books that you keep with preferences or important facts about members. What do you think are some important things to remember about members?

Bob-Specifically, who not to sit them by in the dining room. Maybe they had a divorce or some bad business and want to avoid certain people. Also, maybe giving them to a specific server, food allergies.

Rob J-Food preferences definitely, drink preferences, seating for parties.

Mandy-Does everyone else agree with that?

Richard-Definitely allergies and preferences about that.

Group-Yes

Mandy-What do you feel are two of the most important preferences that members would want you to know, or even one most important thing, if we could kind of go around the room? If you didn’t remember anything else about a member other than this one particular thing, what would it be?

Rob R-Name

Bob-Name

Stacey-Name and maybe their birthday or their anniversary

Rob J-The main thing is linking that face to a name.

Stacey-They’ll give you a couple times and that’s about it. I’m learning that.
Mandy—What I have learned from working in clubs is a lot of times the management staff and your full time staff is really good at doing all the things we’re talking about here. When you bring part-timers and seasonal employees in the members don’t get the type of treatment that they get from you on a regular basis. That’s kind of where I’m heading with the DBM thing is to store all of that information so that all of your employees can access it when necessary.

Bob—Oh yes. There’s a new tool out that for servers called “name that member”. It is a part of a software system and a picture will pop up for the server to name. That has some merit. We have used it as a game and reward servers if they get a certain amount right.

Mandy—that’s a great idea.

Stacey—we hold classes where the servers have to name five members a day.

Bob—with the new servers it is helpful to be able to tell them the names of members when they arrive and Jonas is wonderful for helping them do that.

Mandy—What do you feel is your current level of overall satisfaction among your members right now? Do you feel that they are very satisfied, somewhat satisfied…what are your thoughts?

Claudio—Just in general I think we have a very satisfied membership. They complement us all the time about the meals that we serve, we get that a lot. We also get compliments about our staff. We have made dues increases regularly and they haven’t complained so they must be happy. We do survey our members on a regular basis with different questions and I look at it directly.
Stacey-A good gauge is to watch the revenues and listen to what the members have to say. If the revenues are good then it is more likely that the members are satisfied with what you are offering. If the revenues start to dip you need to look at certain areas and figure out the problems. We keep an eye on it to try to keep satisfaction levels up.

Bob-I’d say that about 90% are satisfied. We do a really good job trying to satisfy our members but the ala cart dining area is always a challenge. They are always looking for the “flavor of the week”. You have a small audience and they want you to everybody and everything to them. So ala cart is constantly a challenge. I would love to see ala cart shine but I know that it’s difficult to achieve.

Rob-We had a very similar situation. I’m from the small club in this group and our club really started to struggle because in the city of Wooster everyone and their brother worked for Rubbermaid. When Rubbermaid packed up and moved out it really brought struggles to the club itself. What happened in that transition period of the last 7-8 years is that the club just sat back on what happened during the glory days and didn’t bother to think about what tomorrow would bring. Over the past three years we actually did that and we had to convince the membership that they had to spend some money in order to make money and bring about new excitement at the club. To do that we did some remodeling and revamped the entire management staff. We brought in a new chef, food and beverage manager, my position, and so on. But by doing that it was generating a new found excitement and just in one year since we did all that our revenues just in dining alone are up 49%. In the last six months it’s up 68% and that’s telling me that members are excited to come to the club, we have found a niche that they want to be involved in,
and they’re using it. When you do that in at a small club who only brings in 30,000 a month in minimums, we’re still bringing in 5-6000 in unused minimums so there is still a patch of people out there who aren’t using it as much as they should. We are unique because we are a small club and this information to become successful is doing what you’re doing right now. Whether it was calling Richard on the phone or some of the other guys and networking is the best way to get this stuff. These guys have been in the business for so long and what you’re doing is only going to help them even more.

Mandy-Richard, do you have anything to add.

Richard-Everybody hates everything here so don’t worry about it. Ha ha. Just kidding.

Mandy-Claudio-you brought up my next question, with your reciprocal members; do all of you participate in reciprocity with other clubs?

Rob-As a courtesy to our members. What’s your definition of reciprocity?

Mandy-When you have clubs that you allow your members to go to a certain number of times per year and you allow those members to come to your clubs.

Richard-I’ll answer for Kirtland. We do not have any reciprocity set up other than the time when we close or the time when our member is at another club that allows them to sign back to Kirtland. Other than that the only reciprocity we have is when we’re closed, which is convenient for the members.

Rob J-We have reciprocity with currently about three clubs. They are out of state.

Mandy-Claudio, I know your situation with reciprocity. How about Stacey?

Stacey- I have reciprocity with everybody. I’ll agree to it with anybody who wants me.
Rob - As far as reciprocity, we have seven clubs that we allow our members to utilize. Again, from the smaller club perspective it adds up when you’re able to do that. When there are other clubs that are involved it helps them too.

Bob - What we have is pretty much related to the women’s golf league in Akron. A few times a year the clubs that are part of NOGA come around and they sign back to their clubs. Nine times out of ten I would say that’s the only arrangement we have with other clubs but it is convenient for golfers.

Mandy - For those of you who do participate a little more heavily do you have limits on the number of times that members can use other clubs and that other members can use yours?

Claudio - We have by-laws so we have limits but I never have that problem. They’ll come in you know six or seven times a year and stay overnight.

Bob - There’s a group from the Northcoast society that goes from club to club, it’s a group of women that pay like $5 bucks a month and they are part of this society. When I looked into it the clubs that were participating did have access to our club.

Mandy - When these members come to your clubs or vice versa, do you share any information about your members with the other clubs? Maybe their preferences or what they like and do other clubs share with you?

Rob - No

Stacey - We usually only want to know the member number and if they are a member in good standing.

Mandy - Claudio - how about you?
Claudio—When sharing information what do you mean?

Mandy—Would you say “so and so is coming there for dinner tonight, they really enjoy wine, or something nice”?

Claudio—Oh, yes, yes.

Mandy—You do share information like that?

Claudio—If someone is coming to dinner at our club we ask questions. A lot of times if I get feedback from one of my members about a club they went to then I will call the manager and share that information. I wouldn’t want my member to go somewhere and have a bad or good experience without saying something. That’s something I would want to know about.

Mandy—Do you feel that the members are satisfied with your reciprocal arrangements right now?

Bob—I think for us yes

Stacey—They really don’t have a choice in the matter.

Rob—Ours are very limited and there’s not a lot of use of it. The way we do it is kind of just a formal arrangement. It’s still done but just on a case by case basis. Say I have someone coming into town and they want to spend the night at your club, I’ll call you. It’s a very minor aspect of our business and it’s always on a permission basis.

Claudio—With my club and with everybody else’s we don’t really have a reciprocity program with clubs that are right in the city because why would the members want to go to the Union Club if I could call these guys anytime I wanted to and use their places. If
they called and said they have an anniversary dinner or something then I would say absolutely. We always take care of people.

Rob-Since that business is considered non-member you have to keep those revenues under 15% by law.

Mandy-Well my main question is if you did share some information about your members when they go to these reciprocal clubs, if they may be a little happier with you for doing that for them. So when they went to clubs that weren’t their home clubs if they got a little more personalized treatment if that might make them happier.

Rob-Well, I would definitely do it for the members. In our instances it pretty much goes through myself or the membership director and if I know that they’re going to Chicago for their anniversary then I might pass that information along but it would all just be on a case by case situation. It seemed to make sense when it is something that does not violate anyone’s privacy.

Richard-One other point here is that being a part of CMAA has bonded a wonderful network of club managers like Rob kindly pointed out how old we all are by our age in the business, thanks Rob. The specialized service is when your member says to you, “Hey Richard, I’m heading to Chicago, my wife and I are celebrating our 25th wedding anniversary. Do you know of a club that we could go to for dinner? Then, through a network we’ll know of a club, make the phone call and make the arrangement. We basically act as a concierge. I probably do that about 15-30 times at a minimum to help out a member that might be going to Texas to celebrate their daughter getting married and now they want to have a rehearsal dinner at a club in Dallas. We’ll make a phone
call to a club with no reciprocity but to a club manager who we have met through somebody then nine out of ten times the club manager will take care of it and say they’ll send a bill. That’s most of the reciprocity that we do outside of what we talked about earlier. It’s more of a concierge type service and I think members really appreciate it when you do that.

Rob-Being involved in the greater Cleveland section, we have found a family all over the US so if you need someone they will get you in their club.

Richard-I’ve been in this business

Mandy-Do you all feel that DBM techniques can be helpful to your clubs

All-Yes

Mandy-Do you have anything else that you think would be helpful to my research

Richard-I think that any type of value or what a member feels is value, such as personal service is really what the industry continues to be and is the right thing to do going forward. I would say yes to your question, that it is not only highly regarded but going forward with such a social media and such a quick exchange of personalization DBM is going to get more refined.

Rob J-In the old day’s clubs could survive because the commercial sector wasn’t always good. Now the commercial world has great restaurants and great services so anything that clubs can do to maximize the competitive edge that they do have, which is the inter-relationships with personal knowledge of what your members like and dislike should be done. Anyway to capitalize off of that is an advantage that clubs have over the commercial sector.
REFERENCES


Callan, R.J. & Teasdale, A. (1998). Hotel guest history as the foundation for database


### Table 1

**Demographic Characteristics of Surveyed Private Club Members**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>n</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
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<tr>
<td>Male</td>
<td>202</td>
<td>72.9</td>
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<tr>
<td>Female</td>
<td>75</td>
<td>27.1</td>
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<td><strong>Membership Categories</strong></td>
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<tr>
<td>Full</td>
<td>177</td>
<td>63.9</td>
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<tr>
<td>Social</td>
<td>48</td>
<td>17.3</td>
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<tr>
<td>Business</td>
<td>28</td>
<td>10.1</td>
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<tr>
<td>Honorary</td>
<td>24</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Age</strong></td>
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<td></td>
</tr>
<tr>
<td>1-44</td>
<td>34</td>
<td>12.3</td>
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<td>45-64</td>
<td>126</td>
<td>45.5</td>
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<td>65+</td>
<td>117</td>
<td>42.2</td>
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<tr>
<td><strong>Distance From Club</strong></td>
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<tr>
<td>&gt; than 1 mile</td>
<td>68</td>
<td>24.5</td>
</tr>
<tr>
<td>1-5 miles</td>
<td>100</td>
<td>36.1</td>
</tr>
<tr>
<td>6-10 miles</td>
<td>51</td>
<td>18.4</td>
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<tr>
<td>11-15 miles</td>
<td>31</td>
<td>11.2</td>
</tr>
<tr>
<td>16 + miles</td>
<td>27</td>
<td>9.7</td>
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<td><strong>Employment</strong></td>
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<tr>
<td>Working</td>
<td>177</td>
<td>63.9</td>
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<tr>
<td>Not Working</td>
<td>100</td>
<td>36.1</td>
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<td><strong>Marital Status</strong></td>
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<td>Married</td>
<td>222</td>
<td>80.1</td>
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<tr>
<td>Not Married</td>
<td>55</td>
<td>19.9</td>
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<tr>
<td><strong>Club Usage</strong></td>
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<td>Daily</td>
<td>87</td>
<td>31.4</td>
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<tr>
<td>3-6 times per week</td>
<td>105</td>
<td>37.9</td>
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<tr>
<td>1-2 times per week</td>
<td>55</td>
<td>19.9</td>
</tr>
<tr>
<td>&gt; 1 time per week</td>
<td>4</td>
<td>1.4</td>
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<tr>
<td>Other</td>
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<td>9.4</td>
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<td><strong>Reciprocal Usage</strong></td>
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<td></td>
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<tr>
<td>Ever Used</td>
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<td>40.4</td>
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<tr>
<td>Never Used</td>
<td>165</td>
<td>59.6</td>
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### Table 2

*Item Specific Descriptive Statistics and Reliability*

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<th>Item</th>
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<th>SD</th>
<th>α</th>
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<tbody>
<tr>
<td>Importance of Remembrance of Club Member Preferences</td>
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<tr>
<td>Food Preferences including Taste and Cooking</td>
<td>3.30</td>
<td>1.41</td>
<td></td>
</tr>
<tr>
<td>Temperatures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Allergies</td>
<td>2.73</td>
<td>1.43</td>
<td></td>
</tr>
<tr>
<td>Food Limitations/Specifications based on Religious Beliefs</td>
<td>2.08</td>
<td>1.22</td>
<td></td>
</tr>
<tr>
<td>Alcoholic/Non-Alcoholic Beverage Preferences</td>
<td>3.17</td>
<td>1.31</td>
<td></td>
</tr>
<tr>
<td>Dining Reservation Time Preferences</td>
<td>3.16</td>
<td>1.30</td>
<td></td>
</tr>
<tr>
<td>Requests for Particular Dining Tables/Rooms/Locations</td>
<td>3.17</td>
<td>1.28</td>
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<tr>
<td>Individualized service requests</td>
<td>2.95</td>
<td>1.30</td>
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<td>Requests for Specific Servers/Bartenders at the Club</td>
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<td>1.26</td>
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<tr>
<td>Information regarding your Personal or Family Life</td>
<td>2.71</td>
<td>1.19</td>
<td></td>
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<tr>
<td>Satisfaction with Remembrance of Preferences at Home Club</td>
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<td></td>
<td>.893</td>
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<tr>
<td>Food Preferences including Taste and Cooking</td>
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<td>0.94</td>
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<tr>
<td>Temperatures</td>
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<td></td>
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<tr>
<td>Food Allergies</td>
<td>3.08</td>
<td>1.65</td>
<td></td>
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<td>Food Limitations/Specifications based on Religious Beliefs</td>
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<td>1.67</td>
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<td>Alcoholic/Non-Alcoholic Beverage Preferences</td>
<td>3.79</td>
<td>1.08</td>
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<tr>
<td>Dining Reservation Time Preferences</td>
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<td>1.01</td>
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<td>Individualized service requests</td>
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<tr>
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<td>Satisfaction with Remembrance of Preferences at Reciprocal Clubs</td>
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<td></td>
<td>.929</td>
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<td>Food Preferences including Taste and Cooking</td>
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<td>1.06</td>
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<td>Temperatures</td>
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<td>Food Allergies</td>
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</tr>
<tr>
<td>Food Limitations/Specifications based on Religious Beliefs</td>
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<td>1.55</td>
<td></td>
</tr>
<tr>
<td>Alcoholic/Non-Alcoholic Beverage Preferences</td>
<td>3.16</td>
<td>1.19</td>
<td></td>
</tr>
<tr>
<td>Dining Reservation Time Preferences</td>
<td>3.24</td>
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Table 2 (continued)

*Item Specific Descriptive Statistics and Reliability*

<table>
<thead>
<tr>
<th>Requests for Particular Dining Tables/Rooms/Locations</th>
<th>3.13</th>
<th>1.25</th>
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<tr>
<td>Individualized service requests</td>
<td>3.12</td>
<td>1.15</td>
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<td>Requests for Specific Servers/Bartenders at the Club</td>
<td>2.94</td>
<td>1.28</td>
</tr>
<tr>
<td>Information regarding your Personal or Family Life</td>
<td>2.63</td>
<td>1.28</td>
</tr>
</tbody>
</table>

Overall Satisfaction with Home Club

| I am happy with my decision to join this club          | 4.56 | 0.67 |
| I did the right thing by keeping my membership at this club | 4.49 | 0.74 |
| Overall, I am satisfied with this club               | 4.38 | 0.76 |

.909
Table 3

Results from Independent *t* Tests Regarding Gender Status of Surveyed Private Club Members

<table>
<thead>
<tr>
<th>Dependent Variables by Gender Status Group</th>
<th>$M_a$</th>
<th>$SD$</th>
<th>$t$</th>
<th>$df$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of Remembrance of Preferences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male $b$</td>
<td>24.61</td>
<td>8.12</td>
<td>-4.387*</td>
<td>275</td>
<td>.000</td>
</tr>
<tr>
<td>Female $c$</td>
<td>29.51</td>
<td>8.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Home Club</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male $b$</td>
<td>31.40</td>
<td>7.92</td>
<td>.239</td>
<td>275</td>
<td>.811</td>
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<tr>
<td>Female $c$</td>
<td>31.13</td>
<td>8.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Reciprocal Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male $b$</td>
<td>27.57</td>
<td>8.44</td>
<td>1.260</td>
<td>26.40</td>
<td>.219</td>
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<tr>
<td>Female $c$</td>
<td>24.18</td>
<td>11.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction with Home Club</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male $b$</td>
<td>13.51</td>
<td>1.91</td>
<td>1.107</td>
<td>272</td>
<td>.269</td>
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<tr>
<td>Female $c$</td>
<td>13.21</td>
<td>2.20</td>
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</table>

*Note.* *p* < .05.

*Note.* $a$ Refers to the mean for the entire construct

*Note.* $b$ $(n)$ Male=202

*Note.* $c$ $(n)$ Female=75
Table 4

*Results from Independent t Tests Regarding Marital Status of Surveyed Private Club Members*

<table>
<thead>
<tr>
<th>Dependent Variables by Martial Status Group</th>
<th>$M_a$</th>
<th>$SD$</th>
<th>$t$</th>
<th>$df$</th>
<th>$p$</th>
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</thead>
<tbody>
<tr>
<td>Importance of Remembrance of Preferences</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Married $b$</td>
<td>26.11</td>
<td>8.906</td>
<td>.169</td>
<td>275</td>
<td>.866</td>
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<td>Married $c$</td>
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<td>8.448</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Home Club</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Married $b$</td>
<td>32.58</td>
<td>6.115</td>
<td>1.563</td>
<td>112.155</td>
<td>.121</td>
</tr>
<tr>
<td>Married $c$</td>
<td>31.01</td>
<td>8.524</td>
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<td></td>
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</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Reciprocal Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Married $b$</td>
<td>28.49</td>
<td>6.536</td>
<td>.916</td>
<td>110</td>
<td>.362</td>
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<tr>
<td>Married $c$</td>
<td>26.49</td>
<td>9.826</td>
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<tr>
<td>Overall Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Married $b$</td>
<td>13.58</td>
<td>1.823</td>
<td>.628</td>
<td>272</td>
<td>.531</td>
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<td>Married $c$</td>
<td>13.39</td>
<td>2.039</td>
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</table>

*Note.* $p > .05$ for all.

*Note.* $a$ Refers to the mean for the entire construct

*Note.* $b$ (n) Not Married=55

*Note.* $c$ (n) Married=222
Table 5

*Results from Independent t Tests Regarding Employment Status of Surveyed Private Club Members*

<table>
<thead>
<tr>
<th>Dependent Variables by Employment Status</th>
<th>$M_a$</th>
<th>$SD$</th>
<th>$t$</th>
<th>$df$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of Remembrance of Preferences</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Working $b$</td>
<td>24.96</td>
<td>8.71</td>
<td>-1.434</td>
<td>275</td>
<td>.153</td>
</tr>
<tr>
<td>Working $c$</td>
<td>26.49</td>
<td>8.39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Home Club</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Working $b$</td>
<td>32.54</td>
<td>6.70</td>
<td>2.024*</td>
<td>250.935</td>
<td>.044</td>
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<td>Working $c$</td>
<td>30.64</td>
<td>8.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction with Remembrance of Preferences at Reciprocal Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Working $b$</td>
<td>26.02</td>
<td>8.81</td>
<td>-.807</td>
<td>110</td>
<td>.421</td>
</tr>
<tr>
<td>Working $c$</td>
<td>27.47</td>
<td>9.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction with Home Club</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Working $b$</td>
<td>13.91</td>
<td>1.72</td>
<td>3.197*</td>
<td>237.056</td>
<td>.002</td>
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<tr>
<td>Working $c$</td>
<td>13.16</td>
<td>2.09</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note.* *p* < .05.

*Note.* $a$ Refers to the mean for the entire construct

*Note.* $b$ ($n$) Not Working=100

*Note.* $c$ ($n$) Working=177
Table 6

*Results from Open-Ended Preference Question on Member Survey*

<table>
<thead>
<tr>
<th>Preference</th>
<th>Number of respondents</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>69</td>
<td>24.9</td>
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<tr>
<td>Drink Preference</td>
<td>42</td>
<td>15.2</td>
</tr>
<tr>
<td>Personal and Family Information</td>
<td>23</td>
<td>8.3</td>
</tr>
<tr>
<td>Individual Service Style</td>
<td>18</td>
<td>6.5</td>
</tr>
<tr>
<td>Requests for Particular Dining Tables</td>
<td>11</td>
<td>4.0</td>
</tr>
<tr>
<td>Speed of Service</td>
<td>9</td>
<td>3.3</td>
</tr>
<tr>
<td>Food Specifications</td>
<td>7</td>
<td>2.5</td>
</tr>
<tr>
<td>Food Allergies</td>
<td>5</td>
<td>1.8</td>
</tr>
<tr>
<td>Requests for Particular Servers</td>
<td>3</td>
<td>1.1</td>
</tr>
<tr>
<td>Food Limitations</td>
<td>2</td>
<td>0.7</td>
</tr>
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</table>
Table 7

*Private Club Member Preferences That Would be Beneficial to Track*

<table>
<thead>
<tr>
<th>Preference</th>
<th>Rank from open-ended question a</th>
<th>Rank from survey b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Drink Preference</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Personal and Family Information</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Individual Service Style</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Requests for Particular Dining Tables</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Requests for Particular Dining Times</td>
<td>N/A</td>
<td>4</td>
</tr>
<tr>
<td>Food Specifications, Taste and Cooking Temperatures</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Food Allergies</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

*Note.* a Refers to the most common responses to the open-ended question, with (1) being the most common.

*Note.* b Refers to the order in which the variables scored on the *importance of remembrance of club member preferences* construct on the survey, with (1) receiving the highest scores.