



Consumer Commitment

Affluent Leisure Travelers and Prospective Timeshare Purchasers Believe Strongly in Value of Vacations

Segmentation in shared ownership has broadened the range of product types available to consumers interested in purchasing vacation time. Along with traditional timeshare, fractional interests and private residence clubs complement the space and appeal to different consumers. Central to the promotion of these products is the question of how developers can best differentiate these products to appeal to the target audience. The answer to this question and many others is revealed in the findings of two recently released consumer research studies developed exclusively for Interval International: *The Affluent Shared Ownership Buyer: A Market Profile* and *Future Timeshare Buyers: 2009 Market Profile*.

“The findings in both of these studies should be of great interest to today’s resort developers, sellers, and marketers,” notes Peter C. Yesawich, chairman and chief executive officer of Ypartnership, the firm commissioned to undertake the research. “Given the financial turmoil that prevailed during much of the past year, there was considerable anxiety evident among most U.S. consumer households, and this sense of uncertainty has clearly impacted consumers’ views on vacations, leisure time, and ownership of resort real estate. These results help put such issues in proper perspective and bring clarity to what is a rapidly changing landscape.”

The Affluent Shared Ownership Buyer: A Market Profile

The Affluent Shared Ownership Buyer: A Market Profile was produced to provide insights about the travel habits and resort real estate preferences of the most affluent U.S. households interested in acquiring some form of resort real estate. The study was developed from the Ypartnership 2008 Portrait of Affluent TravelersSM—a comprehensive analysis of the lifestyles, social values, and travel trends of the top

8% of U.S. households, as defined by current income and net worth.

According to the study, affluent leisure travelers interested in purchasing some form of resort real estate demonstrate a strong predisposition for shared ownership leisure products, with more than six in ten (61%) having already vacationed in a condominium resort during the past two years. Furthermore, an estimated three-quarters (74%) are interested in staying in condominium-style accommodations during the next two years. Affluent leisure travelers also exhibit a high degree of familiarity with—and associated purchase interest in—shared ownership leisure products. They are nearly twice as likely to be familiar with the concepts of vacation ownership (51% vs. 29%), fractional ownership (44% vs. 23%), and private residence clubs (39% vs. 14%) than affluent travelers who are not interested in purchasing resort real estate.

This consumer group also reports a keen interest in acquiring some form of resort real estate during the next two years. More than four in ten (41%) express their desire to purchase an interest in a private residence club, while more than one-third are interested in traditional vacation ownership (38%) or a floating-week timeshare ownership product (32%).

Approximately two in ten are interested in ownership of either a fixed-week timeshare (19%) or a fractional (18%). These results are summarized in Table 1 below.

These travelers are known to place a high perceived value on the availability of various attributes when making their resort vacation or purchase decisions. These attributes take the form of both physical features and service offerings to complement their stay. Key among them are delayed or expedited check-out privileges, cited by more than eight in ten (85%). The availability of complimentary Internet access in public areas (81%) and 24-hour room service (78%) are also cited. Visible security staff available to ensure guest safety is highly regarded by more than three-quarters of these travelers (76%), as are resorts with fewer than 300 units (cited by 63%).

“These findings assist resort developers in understanding the specific luxury privileges and services, as well as the physical and architectural resort features, sought by affluent travelers so that they can offer the vacation experiences they seek,” says David C. Gilbert, executive vice president of resort sales and marketing for Interval International.

Table 1

Purchase Interest During the Next Two Years*	2008 Interested in Resort Real Estate (%)
Private residence club	41
Vacation ownership	38
Floating-week timeshare ownership	32
Fixed-week timeshare ownership	19
Fractional ownership	18

* Asked among those who are familiar with the respective vacation concepts.

Future Timeshare Buyers: 2009 Market Profile

Future Timeshare Buyers: 2009

Market Profile was developed to provide unique insights into the vacation habits, preferences, and intentions of leisure travelers interested in purchasing some form of vacation time during the next two years. This study was developed from a nationally representative sample of active leisure travelers and supplemented by additional findings revealed in the Ypartnership/Yankelovich, Inc. 2009 National Leisure Travel MONITORSM.

Active leisure travelers interested in purchasing timeshare took an average of seven qualifying leisure trips during the past year. Nearly four in ten (38%) are planning to take more leisure trips during the next 12 months than they took last year, while approximately six in ten (57%) expect to take the same number of leisure trips.

Weekend trips remain most popular among active leisure travelers interested in acquiring vacation time. Approximately nine in ten (88%) have taken one or more leisure trips of four nights or less, including a Saturday night stay, during the past year, while a comparable proportion (81%) have taken an extended trip of five or more consecutive nights.

Approximately eight in ten (77%) prospective timeshare purchasers have taken a naturalistic trip (especially one featuring a beach or lake), while an estimated six in ten have vacationed principally to visit friends or relatives (60%) or to seek a city experience (57%) during the last 12 months. Nearly four in ten (38%) took a general sightseeing trip, while approximately one-quarter took a trip for the primary purpose of gambling (26%) or to visit an all-inclusive resort (25%) or theme park (24%).

When asked to list specific states that they would like to visit during the next two years, almost two-thirds (64%) of prospective timeshare purchasers mentioned California, while fully six in ten expressed a desire to vacation in Florida. Reflecting their aspiration to vacation in exotic locales, Hawaii was cited by almost six in ten (59%) active leisure travelers, while Alaska was

Table 2

Desired Domestic Destinations (Within the Next Two Years) –By State (Aided)	2009 Interested in Purchasing Timeshare (%)
California	64
Florida	60
Hawaii	59
Alaska	54
New York	49
Washington, D.C.	46
Colorado	42
Arizona	39
Maine	39
Massachusetts	32

mentioned by more than half (54%) as revealed in Table 2.

The study also revealed that active leisure travelers interested in purchasing vacation time have a solid understanding of the concept of timesharing and are receptive toward the vacation ownership product. Fully 85 percent have a positive or neutral opinion of timesharing, and more than three-quarters (77 percent) state they would be willing to take a two- to three-day mini-vacation to attend a timeshare sales presentation.

An Optimistic Outlook

“Whether a resort is being developed to appeal to traditional timeshare enthusiasts or for the more discriminating traveler seeking fractional interest or private residence club ownership, the availability of this research provides interested stakeholders with the data needed to fine-tune their resort development, marketing, and lead generation plans,” Gilbert concludes. “Having the foresight to act on timely and reliable insights is central to creating the competitive differentiation needed to succeed in today’s dynamic marketplace.”

While it is apparent that certain differences exist between prospective

timeshare purchasers and affluent leisure travelers, it is just as clear that both consumer groups place a high degree of value on their leisure time and vacations. Thus, so long as resort developers continue to deliver quality vacation experiences, shared resort ownership will continue to be a vacation alternative with great appeal for all leisure travelers. **D**

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To receive a complimentary copy of *The Affluent Shared Ownership Buyer: A Market Profile* or *Future Timeshare Buyers: 2009 Market Profile*, please e-mail Jan.Wyatt@intervalintl.com.