The Vacation Ownership Sentiment Index: OCTOBER 2023

PREPARED BY:

SPORTS& LEISURE RESEARCH GROUP

The Vacation Ownership Sentiment Index: Our Mission

- Inform industry stakeholders with a regular monthly pulsing of timeshare owner sentiment and forward looking anticipated behaviors relative to the broader traveler market
- Track, trend and report out an aggregate and singular consumer driven industry sentiment index metric, alongside other related and trendable component measures including
  - Planned travel and expenditure levels
  - Willingness to travel and make reservations
  - Widening or narrowing of booking windows
  - Recent and anticipated guest experience service delivery and satisfaction
  - General sentiment and perceptions of key category engagement drivers
  - Relative variances in travel engagement levels and behaviors between timeshare owners and the broader travel market
- Provide a simple and dynamic scorecard or dashboard on consumer travel sentiment

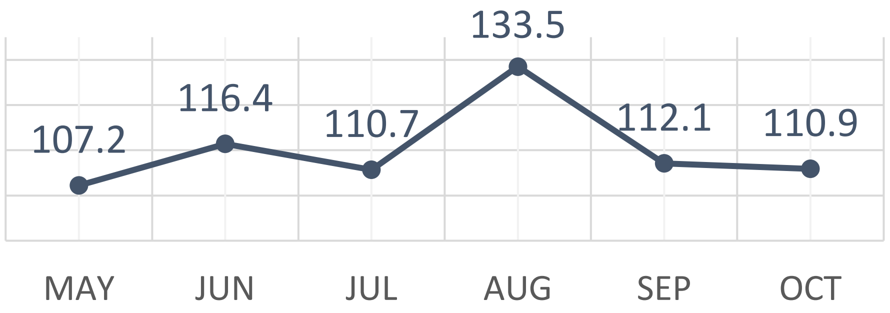
Study Methodology:

- Online, monthly survey with nationally representative equal samples of 500 U.S. based leisure timeshare owners and augment representative sample of 500 leisure travelers to facilitate comparisons and trend analysis
  - 10-15 question online survey
  - All respondents to have actively traveled a minimum of 50 miles from home for vacation within the past year
  - All respondents rigorously screened for timeshare ownership through multi-part validation process
  - Conduct significance testing to draw out meaningful response variances across a variety of demographic, attitudinal and behavioral attributes
- Correlation Analysis performed against each individual survey measure against a logical dependent variables tied to propensity to spend time and money on travel, to determine and isolate those measures that comprise the Index and from which to compare and trend timeshare owner sentiment over time

Two Minute Take-Aways

- The Overall Vacation Ownership Sentiment Index was statistically consistent with September results at an aggregate score of 110.9. Indices over 100 indicate positive sentiment. October's Index held firm, despite a continued erosion of confidence in U.S. economic conditions. 53% of timeshare owners strongly agree that nothing is going to stop them from taking a vacation; the third highest that we've seen this measure in the past six months.
- Timeshare owners continue to exhibit demonstrably more positive attitudes and behaviors than the parallel sample of overall U.S. travelers. Among the highlights, was a significantly positive gap in those who took a vacation and stayed in paid lodging within the past month. Timeshare owners are more than twice as likely than overall U.S. travelers to have already made a reservation for their next vacation and indicate a 45% greater likelihood to spend more time on vacations over the next six months. Timeshare owners remain more active travelers, derive greater enjoyment from their vacations and have significantly higher expectations for future travel service quality.
- For the fifth straight month, at least 75% of timeshare owners strongly felt that their most recent vacation was significantly better than the typical vacation.
- Nearly half of timeshare owners are planning their next timeshare vacation within the next four months.
- Half of timeshare owners plan to upgrade their current timeshare or purchase additional timeshare product in the next two years. This remains significantly higher than those looking to sell their timeshare, which remained under 20% in October.

OVERALL
Vacation Ownership Sentiment Index



KEY FACTORS
that moved the Sentiment Index this month

- The October Index is statistically consistent with September findings, despite the fact that we continue to see a decrease in those who strongly believe that economic conditions in the U.S. are better than last month, off an additional 7 points in October, and now **down -23 points**, from a nine month high of 49%, to 26%.
- Positively, even with this heightened economic trepidation those timeshare owners strongly agreeing that "nothing is going to stop me from taking a vacation improved from September, returning to the 53% level observed in June. This is the third highest we've seen this measure in the past six months of tracking.
- Those who strongly agree that owning a timeshare is an exceptional value improved above month over month to 51%, eclipsed only by August's program high, over the past four months of measurement.
- Only 37% strongly agree that the cost of travel is making it hard to justify taking a trip at this time. This was accompanied by a +3 point increase to 57% expecting overall satisfaction on their next timeshare vacation to exceed expectations. A majority of timeshare owners have expressed this sentiment for all nine waves of 2023 measurement.

KEY COMPARISONS OF TIMESHARE OWNERS VS. TRAVELERS IN GENERAL
for OCTOBER of 2023

	Timeshare Owners	Total Travelers	Timeshare Advantage
SHOW GREATER REGENCY OF TRAVEL			
Taken a commercial flight within the past month	33%	21%	+60%
Took a vacation that included travel of 50 miles or more and 1+ nights in a hotel or other paid lodging	39%	20%	+92%
GREATER OVERALL ENJOYMENT OF THEIR MOST RECENT VACATION			
Considered their most recent vacation to be an exceptional (top 3 box) vacation experience	72%	59%	+22%
PLAN TO SPEND MORE TIME AND MONEY ON VACATION OVER THE NEXT SIX MONTHS			
Plan to spend significantly **more time** on vacation over the next six months	43%	30%	+45%
ARE MORE PASSIONATE ABOUT TRAVEL			
Have made a reservation for their next planned vacation	61%	30%	+105%

VACATION OWNERSHIP INDEX FOR OCTOBER 2023