

Next Generation Study

2015

SHARED VACATION OWNERSHIP

EXECUTIVE SUMMARY



2015 EDITION
PREPARED BY

Leger
THE RESEARCH INTELLIGENCE GROUP



Next Generation Study

SHARED VACATION OWNERSHIP

EXECUTIVE SUMMARY

Demographics

Ethnicity

The younger segments of timeshare owners tend to be more ethnically diverse than non-owners.

Marital Status

Regardless of age, timeshare ownership is higher among those who are married. Approximately 61% of Millennial owners are married (non-owners, 47%). This jumps up to 80% among younger Generation X'ers (non-owners, 55%). Three in four older Generation X'ers who own a timeshare are married (75%; non-owners, 49%).

Income

Likely a reflection of being employed full time in combination with their education, owners earn more per year than their non-owner counterparts.

Employment

As can be expected, a higher proportion of owners are working full time when compared to non-owners. This is true across the three age groups. Regardless of ownership, peak employment is found among the younger Gen X'ers.

Education

A higher proportion of owners have either graduated college or attended graduate school when compared to their non-owner counterparts.

Demographics

	Total Owners n=809	Millennial n=302	Younger Gen X n=251	Older Gen X n=256	Total Non-Owners n=1,629	Millennial n=607	Younger Gen X n=512	Older Gen X n=510
Ethnicity								
White	71%	65%	67%	81%	73%	71%	72%	75%
Black/African American	11%	13%	11%	9%	13%	11%	12%	14%
Hispanic	13%	14%	16%	8%	8%	9%	8%	7%
Asian	11%	14%	12%	5%	8%	11%	9%	4%
Middle Eastern	0%	1%	0%	0%	0%	0%	0%	0%
American Indian	1%	1%	1%	1%	2%	2%	2%	2%
Other	0%	0%	0%	0%	1%	1%	1%	1%
Marital status								
Married	71%	61%	80%	75%	51%	47%	55%	49%
Domestic partnership	6%	7%	5%	5%	10%	9%	10%	10%
Single, never married	19%	30%	12%	12%	27%	40%	22%	16%
Separated	1%	1%	1%	2%	2%	1%	2%	3%
Widowed	0%	0%	0%	1%	1%	0%	1%	3%
Divorced	2%	1%	3%	4%	9%	2%	9%	17%
Prefer not to answer	0%	0%	0%	1%	1%	0%	1%	1%
Income								
Mean	\$101,740	\$89,110	\$116,012	\$102,540	\$68,122	\$64,543	\$70,936	\$69,619
Median	\$83,429	\$74,322	\$92,337	\$85,226	\$57,907	\$56,635	\$60,624	\$57,044

Media Usage

As the most 'mobile' generation, Millennials in general are tied to their smartphones, with more than a quarter using them as their primary devices to access the Internet, coupled with 80% ownership of smartphones within their segment. E-mail is still the dominant form of communication to all Generation X'ers and Millennials, but the rise of social media, and in particular sites and apps such as Pinterest and Instagram, are ensuring that visual images sculpt the manner in which 18–44 year olds specifically look at the world, and more notably, the vacationing genre today.

Recent Vacations

In the US, states that have a prominent coastal setting are driving preferred destinations. Millennial owners have a strong and significant preference to timeshare vacation in California (19%) when compared to their older counterparts, who are still largely tied to Florida.

The "sunshine state" remains high on the list as a destination for Millennial owners (18%), with New York City as the 3rd most popular Millennial owner timeshare destination (8%).

Onsite expenditures are very similar across the three groups, but the offsite expenditures of older Gen X'ers is more than \$1,000 more on average than Millennials, which offers the timeshare industry an additional opportunity to capture potential vacation spend across their older ownership groups.

Seasonality also comes into play, with Millennial owners significantly more likely to vacation in winter than Generation X owners; this is not surprising given Millennials' interest for winter sports.

Future Vacations

In terms of future vacations, spring and summer account for 75% of planned vacations in 2015 by Millennial owners and non-owners, which alludes to the theory that vacationers are planning multiple trips in a year. Millennial non-owners want more trips than the Generation X'ers, at an average of 3 vacations a year (compared to just 2 ½ for the Gen X'ers). Furthermore, Millennial timeshare owners are the most active vacationing group, planning even more vacations per year (3.6 on average, compared to 3.2 for younger Gen X'ers and 3.0 for older Gen X'ers).

When it comes to booking their next vacations, the majority of both owners and non-owners will probably use multiple online travel sites, while shopping around for the best deal.

Half of the Next Generation of both owners and non-owners want to be able to book vacations less than three months in advance, with shorter lead times even more essential for timeshare owners.

Timeshare Messaging

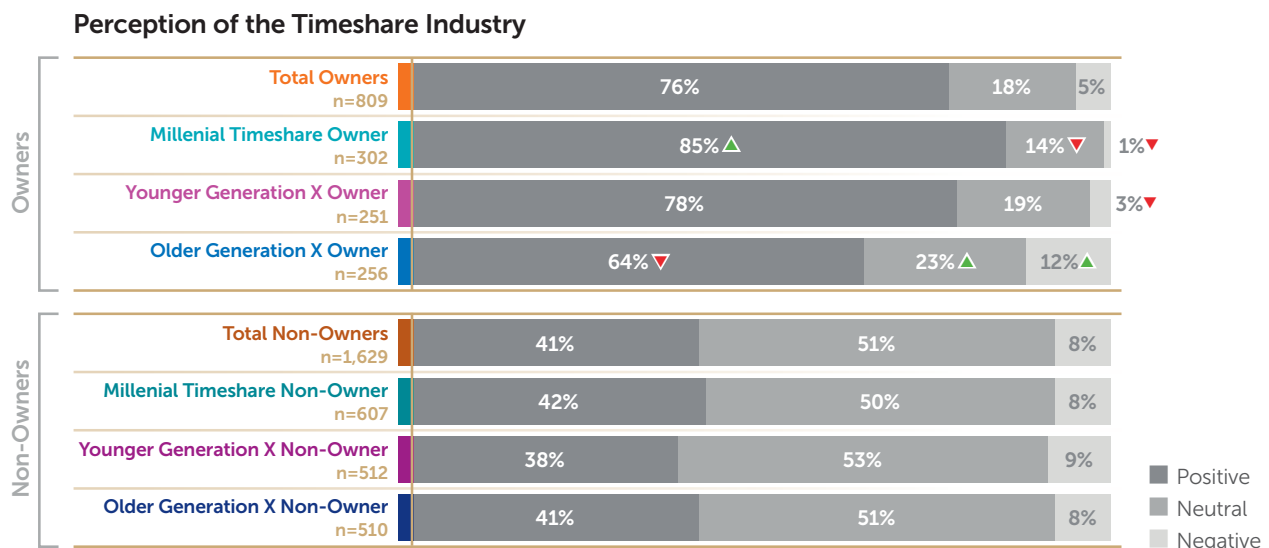
Developing the most appropriate messaging for the Next Generation is undoubtedly a key to driving interest in the timeshare lifestyle. Based upon the 'communication element' within the research, 15 different messages were tested in this research, of which five received unanimous support from non-owners.

These five messages centered around four key mantras – "quality and luxury", "flexibility and choice", "value" and "exchange and variation". The top chosen message for timeshare is "You can stay at a quality resort, anywhere you choose", which also scored highest for relevancy and uniqueness.

The communications that failed to elicit any excitement among non-owners, and were neither seen as original nor fundamental to owning a timeshare, may come as a surprise to some readers, as the worst offender was being "timeshare is your home away from home." This was also the least motivating statement among owners as well. This implies vacationers want to either be as far away from their home, or as far away from their home life for that matter, as possible.

Timeshare Perceptions

Younger owners are driving positive perceptions of the industry. Younger timeshare owners have a significantly more positive perception of the timeshare industry than both older Gen X'ers and non-owners. Non-owners have a more neutral impression.





1201 15th Street NW, Suite 400
Washington, DC 20005
(202) 371-6700
(202) 289-8544 fax

www.arda.org

Ideal Timeshare Products

Owners and non-owners were asked to select which features were most important in the following three categories: Vacation Planning, Timeshare Unit Elements, and Resort Features.

Vacation Planning

Driven by Millennials, “frequency of access” along with “number of times a year to access a timeshare”, are the most important features of owning a timeshare. Specific to owners, the importance of these features decline with age.

Timeshare Unit Elements

The number of bedrooms is the most important unit feature, regardless of ownership. Units with 2 bedrooms garnered the highest importance among owners, with 3 bedrooms a close second place. For non-owners, particularly Millennial and younger Gen X non-owners, it was the opposite as their preference was for 3 bedrooms with 2 bedrooms a close second place.

Resort Features

Owners place importance on different features compared to non-owners. The preference for laundry facilities within each unit dominated in preference when compared to options such as laundry facilities within common areas or not being offered on site. For owners, high speed WiFi hotspots on site along with HDTVs throughout the resort had higher preference than hot tubs to accommodate large groups of people or amenities found at a spa. A similar hierarchy of importance exists among non-owners for these same features.

Methodology

This research was sponsored by the AIF and conducted by Leger (formerly The Research Intelligence Group – TRiG) to gain a deeper understanding of the vacation habits among those who represent the “Next Generation of Timeshare Prospects,” in order to:

- Better understand how habits differ among Millennials, the younger Generation X, and the older Generation X age groups
- Better understand how habits differ between owners and non-owners

Interviews were conducted online with 2,438 respondents between February 27 and March 11, 2015, with a median length of 32 minutes, among Millennials (23–33 years of age), Younger Generation X (34–44 years of age) and Older Generation X (45–54 years of age).

MEMBER \$25 | NON-MEMBER \$50

© Copyright 2015, the ARDA International Foundation. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical or otherwise, including photocopying, distribution by facsimile, re-creation as an electronic document by computer scan, etc., without securing prior written permission from the ARDA International Foundation. Send inquiries or requests to reproduce to: ARDA International Foundation, 1201 15th Street NW, Suite 400, Washington, D.C., 20005.