

Vacation Trends in a Recovering Economy Indicate Gradual Return to Growth

By Marge Lennon



Featured speaker Michael Gelb spoke to attendees about developing a practical framework for self-improvement.



Interval's Bryan Ten Broek, senior vice president of resort sales and business development for North America, welcomed nearly 500 attendees to the event.

The 14th annual Shared Ownership Investment Conference, held at The Peabody Orlando Hotel September 18-20, welcomed nearly 500 attendees from 27 countries, gathering to network with industry colleagues and learn about vacation trends in a recovering economy. The main consensus from speakers and prognosticators was that initial signs indicate that sales will gradually return to levels enjoyed several years ago, fueled in part by the emergence of new financial lenders for the industry.

viability of shared ownership business models. Over the years, we're pleased that developers and lenders, and many other attendees, have recognized the potential and chosen to enter the industry."

Added James Casey, Capital One Managing Director, who has attended the conference for about ten years; "This event presents tremendous networking and educational opportunities in a relaxed environment." He indicated that his company – which entered the market for timeshare financing

In the session on Valuing Inventory in Points Programs, industry experts said that they look at nightly rental rates, unit size, view, demand patterns, premium seasons, weekday and weekends, which can have a large disparity in places like Las Vegas. Points have to make sense relative to other resorts in the program. Next, the resort must reserve inventory after anticipating use of points, utilizing technology at its highest levels. In the past, most resorts had weekend check-in patterns; now they must be prepared for mid-week check-ins and changes in cleaning needs. With points,

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During the two-and-a-half days of educational sessions, experts in various fields shared their knowledge with presentations that had audience members listening intently and making copious notes. Commented Bryan Ten Broek, senior vice president of resort sales and business development for North America of host Interval International: "We appreciate our clients' and partners' participation that contributes to making this a premier industry gathering. It provides existing players the venue to explore opportunities and network with other experts in every facet of the industry, and is also a well-known resource for prospective entrants to learn about the

earlier this year – will be looking to provide acquisition and construction loans in the near future.

During the Power of Points presentation, the audience learned that when Marriott transitioned into points, they had to retool their sales programs to enable the sales people to present the new product. Existing owners were provided with education seminars about their points-based conversion program, removing some of the trepidation of purchase. To ease owners into the program, Marriott introduced an internal Explorer program for use with points.

owners may now take three vacations instead of one, resulting in an increased need for owner services. To facilitate exchanges, revenue management sets point levels in partnerships with exchange companies.

During the session on Adapting Your Business to the New Paradigm, Larry Gildersleeve of Gildersleeve Partners said, "Social media in all its permutations is the greatest paradigm shift. We need to embrace it or risk being left behind. The national conversation is moving online and the speed is staggering. (Clint Eastwood's convention speech went viral before Mitt Romney reached the podium just

a few minutes later.) Increasingly empowered with information available from the Internet, social media is giving voice to timeshare owners on a global basis.”

“What has changed in the last decade is how we market to our potential customers,” said Mitch Moore of MRM Group Consulting. “Without capital, developers must focus on higher quality prospects with higher FICO scores. Equally important, we can’t operate with our heads in the sand without knowing what is on the resale market. We must have resale programs that differentiate from developer products to maintain value for this product.”

In the segment on Targeted Marketing in the 21st Century, J. Lance Croft, VP and COO of KGI Resorts explained, “Seven years ago Trip Advisor started to allow ratings. The question



(L to R) – Craig M. Nash, chairman, president, and CEO, Interval Leisure Group; Howard Nusbaum, president and CEO, American Resort Development Association; Stephen P. Weisz, president and CEO, Marriott Vacations Worldwide Corporation; Michael C. Sz wajkowski, executive vice president, commercial and specialty finance, Capital One, N.A.; Bruce L. Thompson, CEO, Gold Key/PHR Hotels & Resorts; and Owen Perry, managing partner, Villa Group Resorts.

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today is how these can be used as a positive influence. First, we must accept that this is here to stay, (think Google) and then dedicate a team to help us be proactive, cross train our staff for capturing memorable moments and determine non-invasive ways to touch our audience. To make this happen, we will need people monitoring our websites round the clock and updating Facebook on a daily basis.”

On a related note, Demetrius Graham, president of DG Film Company, added that websites with video increase a purchase by 30 percent and increase being tapped by Google by 53 times since videos help connect with the audience at an emotional level.

Crystal Ball Gazing

Stephen Weisz, President and CEO of Marriott Vacations Worldwide Corporation added, “During the recession, we learned that people still want to vacation, even when their house is in foreclosure and they are not making mortgage payments. The recessionary environment was a catharsis of sorts in teaching us that we must always maintain a healthy balance sheet and be more focused on how we market to prospects. Social media has become a great listening post as it provides clear, concise feedback in real time. It also allows ‘fans’ to connect with each other.”

Craig Nash, chairman, president and CEO of Interval Leisure Group, can attest to that. “With our members-only Interval Community online forum, members can connect and

share their experiences in real time. More than 150,000 members have created profiles, and many are participating in conversations emanating from all corners of the world. This has enabled us to educate and be educated. We find that if a member states something incorrectly, often another member jumps in with a clarification or suggestion.”

When the subject of resales was introduced, Stephen Weisz commented, “The lack of a secondary market is like having a new car dealership without a used car lot.”

Bruce Thompson, CEO of Gold Key /PHR Hotels & Resorts responded, “I truly believe there is a solution out there, possibly something like CarMax which sells only used cars.”

Featured Speaker Michael Gelb wowed his luncheon audience with tips on How To Think Like Leonardo da Vinci, advising people to remain ardently curious at all times. Keep a notebook to record ideas, look at things from three angles, be better listeners and constantly ask questions. He encouraged people to balance their body and mind, using both sides of their brains, suggesting that if we stay in alignment with our highest principles, we could enjoy serenity in the midst of change.

Emerging Trends

Peter Yesawich, Ph.D., of MMGY Global, gave his insights into habits and preferences of the American traveler. Here are a few:

- Vacation habits are changing with different

buyers having different motivations. With new audiences, there must be new ways to distribute our products.

- The trend is to more frequent vacations of shorter duration.
- Six out of 10 travelers regularly check reviews on TripAdvisor before making reservations. Expedia is the site visited by more travelers than any other, with 52% of all leisure travelers stating they visited Expedia to get information or make a booking during the past 12 months.
- 75% of consumers say that taking a vacation is the one thing they look forward to most each year.
- With the aging population, 23% (and increasing) of vacationers are grandparents. In ten years, this will climb to more than 30%.
- Baby boomers, who historically have been a strong market for timeshare sellers, are giving way to members of Generation X with dramatically different preferences for vacationing and a greater desire for international travel.
- Foreign visitors generate about \$5,000 per person and are expected to increase 36% by 2016.

Next year’s conference is scheduled for October 28-30 in Miami Beach. For the timeshare professional desiring to learn about industry trends and network with colleagues, this is one of the most efficiently organized events of the year.