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Product design evolution in the vacation ownership industry: From fixed weeks to points and vacation clubs

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Abstract

The timeshare industry entered the USA during the 1970s and since that time has slowly gained consumer acceptance. During this period the resort product has continually evolved in terms of design in an effort to meet consumers' vacation and recreational needs. This paper highlights the evolution of the timeshare industry, its rapid gain in consumer acceptance, and the need for empirical research in this field.

INTRODUCTION

The timeshare industry has existed in the USA since the 1970s, and is considered by many owners to be a viable alternative vacation product, compared with other more traditional short-term and long-term lodging arrangements such as hotels, motels, bed and breakfasts and condominiums.¹ During this period the timeshare product, alias the vacation ownership industry, has evolved in terms of sales volume, number of consumers and array of developers that have entered the field, and more importantly product lines and the diversity of product designs have expanded over time as well. With these concepts in mind, the following narrative provides an analysis of how the product has evolved in terms of product offerings and product acceptance. Before that is accomplished, a brief overview of the vacation ownership industry must be summarised.

A GLIMPSE OF VACATION OWNERSHIP

In practical terms the vacation ownership product comes in either^{2,3} a deeded or a non-deeded version (often referred to a right-to-use arrangement). Under either arrangement the consumer, also known as an owner, is given use at a specific resort, in a specific unit, and exclusive occupancy for a specified period of time. In short, this means that a given developer can build and sell an individual unit for 51 or 52 weeks out of a year, depending on if a week is held out for general maintenance purposes.⁴

From a product perspective, the vacation ownership concept holds a unique position within the leisure product continuum due to the fact that the consumer owns via either a deed or a contract the

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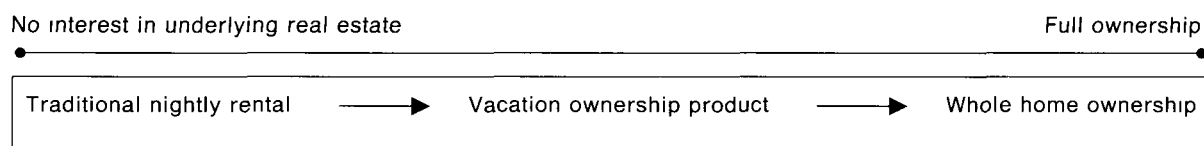


Figure 1: Product ownership continuum

right to use a specific unit at a specific resort at a specific period of time. In comparison, under a hotel arrangement the consumer is given the opportunity to rent a unit by the day without any kind of underlying deed or right-to-use/contractual arrangement, while whole ownership connotes a full interest in the underlying real estate (Figure 1).

TIMESHARING: ROOTS AND REFLECTIONS

The timeshare industry, otherwise known as vacation ownership, first appeared in Europe in the 1960s. One of the early entrants, known as 'Superdevoluy', a ski resort in France, developed the first ownership programme in the world. The purpose of the programme was to give the owners of Superdevoluy a guaranteed opportunity to come and ski in the French Alps.⁵

Not very long after the concept had taken hold in Europe the idea was quickly adopted in the USA. The expansion was so pronounced that in less than two decades the timeshare industry recorded double-digit growth, which was relatively unparalleled by other service sectors for this same period of time.

Not only did the number of timeshare resorts spread rapidly in the USA but the diversity of products and services offered evolved in a dramatic fashion as well, to the degree that the industry is well positioned to become a major gateway to a variety of travel and leisure service consumers.⁶ To date, if one reviews timeshare company websites for product and service information or mulls over industry reports, one will find offerings that cater to a wide range of leisure and recreational needs for various consumer segments.⁷⁻¹⁰

Product classifications

The observation that the timeshare product has been differentiated in product type is supported by a tiered classification system proposed by McMullen and Welch.¹¹ According to this system, there are five levels of timeshare products available in the marketplace. These five levels are luxury, up-market, quality, value and economy level. The 'luxury' market provides a product that is commonly found in tourist destinations, with a wide array of services and amenities. The luxury timeshare product is often a penthouse style of construction with about 1,500 square feet or more of unit space. The 'up-market' is also a destination resort with approximately 1,000 square feet of space for a one-room unit and 1,800 square feet for a two-bedroom unit. The 'quality' level is

European roots

Resort classifications

located in a destination area, with an average square footage of 800 for a one-room unit or 1,400 for a two-bedroom unit. The 'value' level is often considered a regional resort/facility. The one-bedroom unit in this type of facility has about 800 square feet of space, while the two-bedroom unit has 1,000 square feet of unit space. The 'economy' level is also found in regional markets, and has 600 square feet for a studio unit and approximately 900 square feet for a one-bedroom unit.¹²

VACATION OWNERSHIP ACCEPTANCE AND GROWTH PATTERNS

Double-digit growth rate

Despite the fast growth of the timeshare industry during the 1960s and the 1970s, experts in the hospitality industry did not take to the idea seriously and many considered it a fad that would soon vanish.¹³ However, given the double-digit growth over the past 20 years reported by the American Resort Development Association (ARDA), the vacation ownership industry has proven that it is viable vacation alternative. This statement is affirmed by the fact that the number of resorts, number of owners and overall sales (revenue) have risen dramatically since 1980 (Figure 2¹⁴⁻¹⁷). This growth rate is phenomenal because the numbers equate to a 1,000 per cent growth rate over the past two decades — something that many segments of the recreation and leisure industry do not enjoy.¹⁸

Brand entrance

There were two main events that helped perpetuate this extraordinary growth rate and encourage consumer acceptance of the timeshare product. First, the entrance of many reputable hospitality establishments such as Disney, Hilton, Hyatt and Marriott contributed greatly to the consumers' view that the timeshare industry was, and is, a credible and legitimate vacation alternative.¹⁹ Not only did these establishments enhance the industry's image by means of their involvement, they also brought

Image enhancement

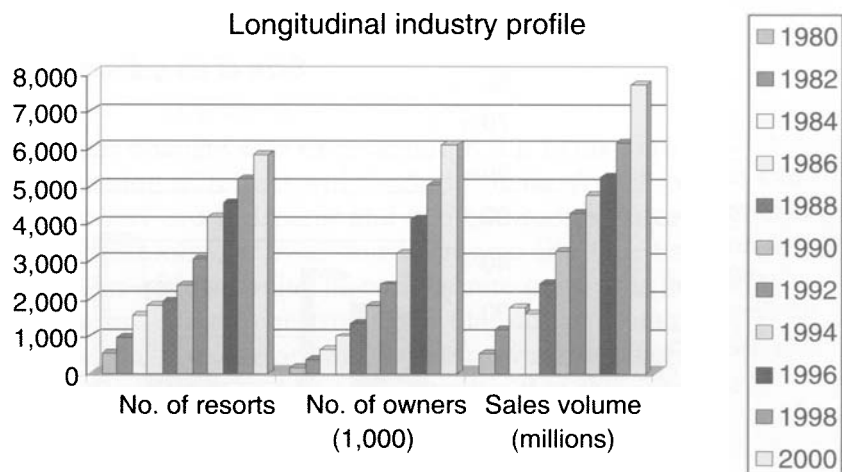


Figure 2: Industry growth profile
Source: ARDA and RCI Consulting

Lodging leaders

years of marketing, sales, finance, accounting, legal and property management experience to a relatively new and growing industry.

In reflecting upon Figure 2, an assumption can be made that the entrance of major lodging companies into the timeshare industry during the 1980s and the 1990s exercised a strong influence the sheer industry growth relative to number of resorts, owners and revenues generated from interval sales. To be exact, in 1984 Marriott entered, as did Disney in 1992, with Hilton following suit in 1993. These developers brought considerable brand-name recognition and elevated consumer acceptance levels with them due to their organisational performance standards and a refined product development and roll-out process. By the end of the century, and continuing into the 21st century, other branded lodging companies followed Marriott, Disney and Hilton's entrance into the realm of vacation ownership, although the majority of development companies would not be categorised as brand affiliated. In support of this statement a quick review of Table 1 indicates that 20 development companies obtained sales at or exceeding US\$20m and that the majority of these development companies are not directly affiliated with any type of branded hotel affiliation.²⁰ Hence, the importance of the brands is numerically insignificant while their overall impact upon product standards, product differentiation, number of resorts and contribution to sales volume has helped to perpetuate consumer awareness of the industry as a whole.

Top 20 companies

Purpose-built unit

PHYSICAL DESIGN OF PURPOSE-BUILT UNITS

During the 1980s most vacation-ownership units were commonly designed with two bedrooms and two full baths for a maximum bedroom capacity of six to eight people, urban resorts featured one-bedroom units that typically slept four or six people, and studio units accommodated two to four people. By and large, this capacity pattern per type of unit has altered over the years to a very slight degree (Figure 3).^{21,22}

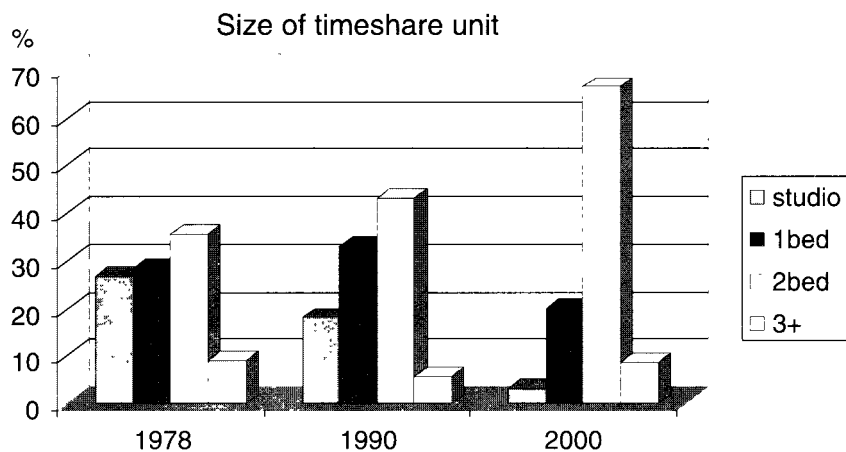


Figure 3: Size of timeshare unit pattern

Table I: 2000 Vacation ownership sales leaders

(Companies with 2000 sales of US\$20m or more in timeshares and/or fractional ownership interests)

Company	Timeshare sales US\$(m)		Fractional sales US\$(m)		Total VO sales US\$(m)		VO resorts Year-end		VO units Year-end		Owners/Members Year-end	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Allegro Resorts	25	16			25	16	25	n/a	8000	n/a	8000	n/a
American Skiing Co			82	22	82	22	8	7	n/a	n/a	1076	n/a
Anfl del Mar	84	71			84	71	3	3	684	684	25424	20950
Bluegreen Resorts	150	124			150	124	28	27	1932	1693	79558	82000
Club La Costa	55	90			55	50	59	49	978	902	43000	39000
Clube Praia da Oura	23	23			23	23	2	2	712	712	20000	20000
Costamex	91	88			91	88	63	60	1010	950	50500	43000
Disney Vacation Club	186	158			186	158	6	5	2092	1805	52000	44000
Epic Resorts	128	84			128	84	8	6	792	720	30000	17000
Equivest Finance	100	95			100	95	29	28	225	2025	100000	75000
Fairfield Comm	446	371			446	371	34	33	5022	4560	330000	260000
Four Seasons Rst Club	40	31			40	31	2	2	200	160	4000	2200
Gold Point Lodging & Realty	28	23			28	23	2	2	117	96	4800	3100
Grandvista LLC	31	25			31	25	5	5	306	210	10200	6800
Hapimag	76	67			76	67	58	55	5150	4822	130000	126500
Hilton Grand Vac Co	150	110			150	110	21	21	2120	2120	52000	45000
Hyatt Vac Ownership	48	45			48	45	5	5	449	306	10000	8000
ILX Resorts	26	25			26	25	11	9	643	495	20000	18500
IntraWest Rst Own Corp	n/a	n/a			85	n/a	5	n/a	n/a	n/a	9000	n/a
Island One	41	38			41	38	5	5	816	766	38000	35000
Marniott Vacation Club	650	540	50	0	700	540	53	43	4650	3900	175000	145000
Med Resorts	65	55			65	55	15	15	481	481	27000	25000
Orange Lake Resorts	95	75			95	75	1	1	1454	1344	70000	63000
The Owners Club			44	30	44	30	5	5	150	n/a	1100	700
Pacific Monarch Resorts	102	70			102	70	9	7	2077	1350	52000	40000
Raintree Resorts International	70	65	20	13	90	78	8	5	758	688	30000	25000
Ramada Vacation Suites	59	46			59	46	17	17	1057	1039	43051	40052
Regency Resorts Group	20	20			20	20	6	6	550	550	19000	17000
Resort Properties Group	32	30			32	30	4	4	1027	1025	25000	25000
RMI Ltd	37	30			37	30	9	6	569	392	26000	21000
The Royal Resorts	85	65			85	65	9	7	1631	1329	61159	56281
Shell Vacations	74	80			74	80	14	14	1753	1542	70000	65000
Silverleaf Resorts	230	186			230	186	22	23	2600	2205	113000	90000
Starwood Vac Ownership	258	213			258	213	15	13	2700	2500	150000	130000
Sunterra	285	435			285	435	89	90	6910	6600	293000	275000
Tanco Resorts	29	21			26	21	17	n/a	328	534	24000	33000
Tempus Resorts	81	65			81	65	1	1	243	195	16000	8700
Trendwest Resorts Intl	297	220	0	13	297	233	37	30	2657	1800	112000	87000
Westgate Resorts	300	270			300	270	14	12	4500	4000	180000	150000
Total	4497	3970	196	78	4775	4008	724	623	67343	54500	3E+06	2E+06

Source: Vacation Ownership World, January 2001, page 8 contact Scott Burlingame @ (425)-402-7036 or scottburlingame@earthlink.net

Note: Original source lists how numbers were derived

Lock-off design

Minor changes that came about in the 1990s were the introduction of resorts with 'lock-off' units. A lock-off unit can be designed as two bedrooms and two bathrooms, three bedrooms and three bathrooms, or even four bedrooms and four bathrooms, with the intent of functioning as two discrete units. The flexibility offered by lock-off construction is that one party may occupy the living room and one or two bedrooms while another person uses the remaining space. More important is that this arrangement allows an owner the ability to spend two separate weeks (in the same year) at their resort, with one stay being in the main, and larger, portion while the second stay is in the smaller lock-off portion.^{23,24}

All purpose-built units are enhanced by interior design, often with lavish furnishings, fabrics and wall coverings, and lush arrangements of silk greenery. Often luxury bathrooms are dressed with a Roman-style whirlpool tub, linen closets and spacious vanities and dressing areas. The bedroom areas are furnished as leisure-living suites, with luxurious bedspreads, an armoire housing a combination TV and VCR set-up, bookcases, rocking chairs and skirted end tables. In an effort to approximate the overall visual and utility experience, the typical unit affords sliding balcony doors, terrace and balcony furniture, and impressive window accoutrements that offer privacy as well as a panoramic view of the resort and its recreational facilities.²⁵

DESIGN SHIFTS OVER THE YEARS

Design standards

A quick review of the literature finds that the vacation ownership product has been impacted by consumer preferences, legal mandates, destination market factors and the implementation of industry-wide product quality standards.²⁶ In particular, this group of industry consultants, architects and interior designers reflected on the fact that the industry is not truly a non-sought good by the mere fact that consumers had, and still are, exerting an influence upon how the vacation ownership product is designed, built and tailored to their ever-increasing demands. The following is a synopsis of design changes that have occurred over the past 20 years as reported by McMullen *et al.*²⁷.

Consumer-driven changes

Consumer influences

- Family market: resort units targeted for families that were originally designed as a two-bedroom, two-bath unit in the 1970s have evolved into the two-master-suite unit.
- Sports market: in golf-oriented resorts the product is commonly sold to foursomes. With this many occupants the design necessitates the presence of two beds in each bedroom. With this type of market, the designer typically builds the units with additional space to accommodate luggage, equipment and other personal items.
- International market: the international consumer is known to remain on site for up to a month, which necessitates extra space for luggage and personal belongings.
- Niche market: beginning in the 1970s it was not uncommon for a timeshare unit to exist as an answer to a hotel or condominium that was not successful. The standard for these structures was the two- to three-level garden condo that still by and large is the most predominant construction type in tourist destinations. In 2000, the construction of a two- to three-level unit is far from the only style. For instance, urban locations are commonly associated with higher land costs that drive the design to be high-rise or mid-rise units versus the common campus style of construction. In these latter tourist destination

markets, the campus style that dominated in the 1990s and the 21st century has gravitated towards townhouse and single-family units with individual pools.

Physical design changes

As the industry matured, the older resorts engaged in necessary replacement and refurbishment projects. In an effort to manage these costs, the astute developer took projected expected wear and tear of the physical structure into account at the outset of the project in order to assure that durability and maintenance efforts of the resort were kept at a minimum. For example, one change in particular that occurred between the 1970s and the 1990s was the transformation from frame construction to steel construction standards.

Timeshare resort projects of the 1970s were typified by a small number of units (eg 50 units), whereas projects of the 21st century are markedly larger in scale. For instance, projects with 900 or more units are not an anomaly, yet these mammoth projects are not without design and service challenges. In line with the construction of these behemoth timeshare projects, the developer has begun to phase in each additional building and the concomitant level of services necessary to support the additional number of units. And with this growth the size of the individual unit has increased from less than 100 square feet to over 2,000 square feet per unit/villa.

One of the basic challenges associated with phasing in larger projects is the fact that the pace of sales often falls behind the construction of the units. This rather challenging fact means that the developer must engage in a phased rental programme to defray the costs associated with each additional building while waiting for sales activity to catch up with the pace of construction. The basic process is to use the initial building phases as long-term rentals, then to phase in short-term rentals of six months or less, and then finally convert all inventory to timeshare units after the resort is complete.

Federal legislation impacts

Perhaps the most discussed design impact is related to the Americans with Disabilities Act (ADA). Clearly the ADA legislation does not specifically mention the timeshare industry; however, the general understanding is that once the developer starts a rental programme, most state legislative bodies consider the timeshare development to fall under the accessibility mandates as denoted in the ADA legislation. This is an interesting dilemma because prior to the introduction of the ADA legislation the industry was subjected to the Fair Housing Act, which was duly concerned with 'fair access' to timeshare units without any specific mention of access due to disabilities. As of the mid-1990s, this conundrum is now at the point where the developer is expected

Design challenges

Legal impact

under state and federal regulations to abide by both mandates, with the net result being that the entire layout of the resort facility must adopt design specifications set forth by the ADA legislation while providing fair access to purchase a unit.

Exchange company standards

Industry standards evolve

Perhaps the most impact development upon design was exerted by the introduction of a quality rating system employed by timeshare exchange companies. The two major exchange companies, RCI and Interval International (II), have devised a rating system to gauge the 'quality' of resort furnishing and service levels. These systems classify resorts based on particulars such as ease of guest flow, presence of private sleeping areas, bathrooms that are accessible without walking through the bedroom, kitchens amenities that are specified based on the size of the unit, and other amenities that are specified as mandatory (eg partial or full kitchen with a coffeemaker, small refrigerator, microwave, oven and four-burner stove). In addition, units can have wet bars, larger televisions or VCRs, depending on the unit and market. The outcome of RCI's and II's rating system is that the higher the level of amenities and services offered the higher the resort's quality rating will be.

How the product is used

EVOLUTION IN WEEK USAGE PATTERNS

In the area of week usage (ie interval scheduling), a few dynamic changes occurred relative to how the product was (and is) conveyed to the consumer at the point of sale (Figure 4). Beginning in the 1970s the timeshare product was sold primarily as a fixed type of arrangement. Under this type of arrangement the consumer held rights to use a specific unit during a specific week per year. In short, this schedule method was easy to understand because the consumer knew exactly the week and specific unit that they were purchasing.²⁷⁻²⁹

Next, the timeshare consumer became more demanding in product use and access, which led to the creation of a float

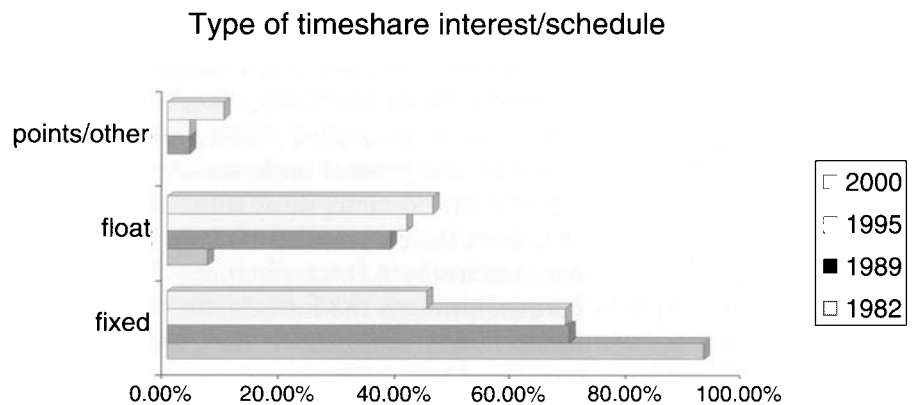


Figure 4: Schedule patterns

Fixed, Float, and to-a-point designs

system.³¹ Under a float system, the consumer had two options at their disposal depending on how the agreement was originally drafted. Under the week-float option, the consumer was given use of a specific unit (eg villa 1032) while the week 'floated' throughout the calendar year or within a given season. Under the unit-float option, the consumer's interval (ie week) remained the same while their choice of unit (same type in terms of one bedroom, two bedrooms, etc) location varied as long as the unit type was the same as they had originally purchased. Clearly, either float schedule offered the consumer a higher degree of week or unit flexibility than had existed under a fixed system.^{32,33}

The most recent evolution in how the interval is scheduled is conceptually similar, albeit legally different, to the process of allocating a certain amount of points as practised by hotel companies in the delivery of well-known frequent guest programmes. Under a points system, the consumer simply purchases enough points to satisfy their annual vacation needs. From the consumer perspective this system is touted to offer the maximum amount of flexibility, while in contrast the system is quite complex for the developer to manage relative to inventory management purposes.^{34,35} From the developer perspective a very robust reservation management system must be in place to track factors such as unit size, length of stay, location availability, seasonal issue, point allocation and remaining point allocation. Basically, the point type of interval schedule, sometimes referred to as a vacation club, offers the consumer the highest degree of vacation options in contrast to either a fixed or a float type of interval arrangement.^{36,37}

SEGUE TO MEMBERS' REFLECTIONS ON THE VACATION CLUB CONCEPT

Given the aforementioned trend toward flexibility via the introduction of the vacation club and points system, a study was designed to monitor and evaluate owners' perceptions for one of the leading pioneers in the vacation club and points system market.

A vacation club snapshot

Methodology

In particular, the organisation's vacation club members were surveyed concerning the respondents' satisfaction with club services, the members' expected future usage of club programmes, correlation of owners' satisfaction and owner services and member satisfaction by location of the home resort.

The respondents for this study represented 8,000 randomly selected vacation club members as extracted from seven distinct resort regions of the USA. It should be noted that the total number of members for each home resort (resort to which the member's unit ownership is contractually based) was not equal, therefore an effort was made to maintain a minimum sample size for each home resort that would promote the application of reliable and valid

Table 2: Sample characteristics

	Total population	Total sampled	Total returned	Response rate %
Region 1	1,555	402	143	35
Region 2	9,853	2,457	811	33
Region 3	1,235	400	107	26
Region 4	493	400	190	47
Region 5	3,814	897	429	47
Region 6	9,546	2,377	617	25
Region 7	4,469	1,067	228	21

statistical testing procedures. The population size per resort location and the resultant sample size per each home resort are reflected in Table 2.

Sampling distribution and return rate

The population and sample distribution are listed in Table 2. As in previous years, 8,000 club members were selected with the understanding that each home resort was to have a minimum beginning sample size of 400 respondents per region. There were 2,544 out of 8,000 surveys returned to the researcher by the return date of 15th September, 2001. It should be noted that 221 surveys were returned as undeliverable, which lowered the sample size to 7,879. As a result, the net response rate for this study was 32.2 per cent (2,544/7,879).

STUDY FINDINGS

Research question: Satisfaction with your most recent club vacation

How satisfied are club members?

The question of overall satisfaction with the members' most recent club vacation is displayed (by resort) in Table 3. In particular, Table 3 indicates a very strong agreement concerning satisfaction with the members' most recent club vacation experiences.

According to the figures contained in Table 3, the lowest amount of 'satisfaction' ranged from a low of 85 per cent of the respondents to a high of 91 per cent in Region 6. From a gap perspective, there is no evidence indicating that any one resort is any more or less effective than another when it comes to meeting their members' needs.

The membership was also asked to indicate their overall satisfaction with the products and services offered. Due to the fact that this question was asked in the same format, albeit with

Table 3: Satisfaction with most recent vacation: Strongly agree and agree categories (percentages)

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7
Strongly agree and agree	87	87	88	86	85	91	86

Table 4: Longitudinal membership satisfaction: 1996–2001

Combined findings from club 2000 report versus 2001 findings (very satisfied and satisfied ratings only, percentages)

	1996	1997	1998	2000	2001
Satisfaction	73.0	86.7	83.15	84.05	88.3

different respondents over the years, an attempt was made to compare the responses from 1996 to 2001. Table 4 reflects that the collective responses to this question generally increased over the years with the highest ratings occurring in 2001. Again, it would appear that the vacation club concept in combination with the flexibility that is associated with the points system is very popular indeed. Furthermore, in comparison to industry studies reported by the ARDA, this particular vacation club is performing at the same or a little higher than other timeshare developers in satisfaction levels.³⁸

Research question: What vacation club options do you plan on using in the next five years?

Future club options

In an effort to gauge how the respondents planned to use their interval (eg time in their unit), the researcher asked the respondents to rate the frequency with which they planned on exercising their open-season option, renting out their unit, converting their points for stays at a Hilton hotel, exchanging for another resort within the RCI system, staying at another resort within the developer’s vacation club network, requesting an alternate time at their home resort, and staying at their home resort.

In order of preference, it was found that staying at another club resort, exercising their exchange option through the exchange company (RCI), staying at their home resort, using an alternate period at their home resort, and leveraging the open-season option (a period of time that is offered by the developer on a first-come, first-served basis) were the top five preferences for the upcoming five years. In short, this profile indicates that these members were satisfied with the available services to the degree that they planned on using it over and over again (Figure 5). Perhaps more important is the finding that this majority of the members did not plan to rent out their unit. This observation clearly profiles the members’ sincerity in using the product as a direct outcome of product and service satisfaction.

Research question: Correlation of owner services with member satisfaction

The power of service

The final portion of the survey was based on the fact that after the owner purchases their interval, the main point of the member’s contact for confirming their vacation date, resort location and unit size occurs through the developer’s owner

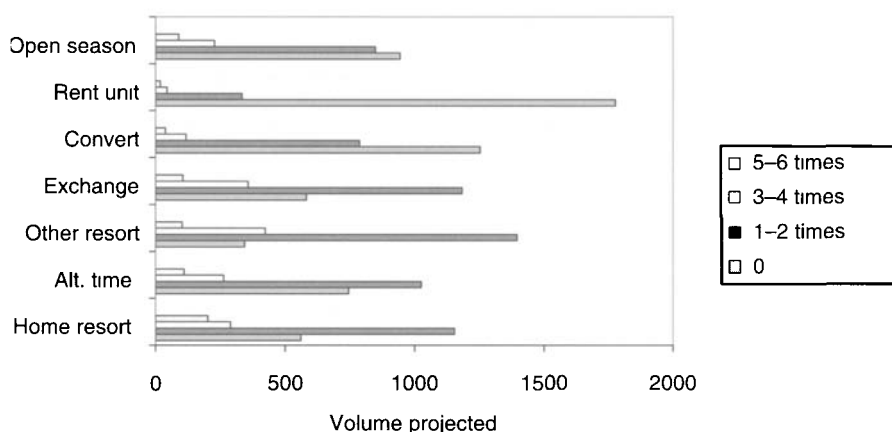


Figure 5: Five-year projections for usage of club member programme options

service division. Moreover, any questions or concerns relative to club programmes, point structure and point allocation must be directed through the owner service division. To capture the importance of the owner service division, the Pearson correlation procedure was employed on the variables of ‘the owner counsellor’s information was clear’, ‘the owner counsellor satisfied my most recent vacation club request’, and ‘the owner counsellor was knowledgeable about vacation club programmes, correlated with the member’s satisfaction with their most recent club vacation.

The findings reported in Table 5 support the contention that the owner service division serves an integral function relative to the members’ satisfaction with their vacation experience. Granted this is a logical thesis, which is strongly supported by the findings displayed in Table 4, it is interesting to note that these findings support research conducted by McMaster³⁹ which found that the top three factors leading to member satisfaction are directed related to the quality and function of customer service agents. It should be noted that these variables are subject to strong inter-item correlation, but this does not take away from the importance of the owner service division’s role in ensuring the members’ satisfaction with their most recent vacation experience. Hence, it is critical to

Table 5: Correlation grid. Satisfaction with owner services

	CP	CKP	ACP	CIC	CSR
Counsellor was professional (CP)					
Counsellor knowledgeable of club programmes (CKP)	0.780**				
Able to contact without difficulty (ACP)	0.654*	0.674**			
Counsellor information was clear (CIC)	0.696**	0.736**	0.714**		
Counsellor satisfied my most recent vacation request (CSR)	0.640**	0.661**	0.635**	0.789**	
Counsellor was knowledgeable of all resorts (CKAR)	0.629**	0.668*	0.608**	0.714**	0.703**

** Significant at the 0.01 level

* Significant at the 0.05 level

Table 6: ANOVA procedure: Satisfaction ratings by regions

	df	F	Sig.
Corrected model	6	3.991	0.001
<i>Mean ratings by regions</i>		LSD	
Region 1	2.00	Region 1 vs. 2 and	0.045
Region 2	1.82	Region 2 vs. 1, 4, 6 and 7	0.045/0.033/0.049/0.006
Region 3	1.93	Region 3 vs. 5	0.048
Region 4	1.95	Region 4 vs. 2, 5	0.033/0.003
Region 5	1.78	Region 5 vs. 1, 3, 4, 6, and 7	0.011/0.048/0.003/0.015/0.001
Region 6	2.02	Region 6 vs. 2 and 5	0.049/0.015
Region 7	2.03	Region 7 vs. 2 and 5	0.006/0.001

the developer to maintain the highest level of professionalism and accuracy of information.

Research question: Satisfaction by home resort location

In an attempt to determine if there were any perceptual shifts in satisfaction between the regions, the analysis of variance (ANOVA) procedure was employed against the members' overall satisfaction with their most recent resort vacation. The rating scale was from 1 = strongly agree to 5 = strongly disagree. Table 6 reflects that there were significant differences between the regions in member satisfaction ratings. At first glance the mean ratings appear to be quite similar in their positive direction. However, when subjected to the ANOVA and least squares difference (LSD) procedures subtle and significant differences materialise. This would indicate a minor shift in of opinion concerning this developer's provision of resort products and on-site services, mainly in Regions 2 and 5. Regardless of this difference, the general level of satisfaction is quite high for all resort locations.

STUDY CONCLUSIONS

The combination of the aforementioned literature review with the research findings purports the vibrancy of the vacation ownership industry and its constant state of evolution. To date, there are reports that the vacation ownership product is still a non-sought good. In contrast, various researchers have empirically shown that the product is expanding in complexity and richness of product design, total number of worldwide consumers, total number of worldwide resorts, and in product conveyance as promoted through packaging of the product via vacation clubs and a points-based system. These undisputable facts attest that the vacation ownership product is indeed growing in popularity. This is an important fact to note because Miner⁴⁰ noted in a random sample of US households that a continued pattern of interest in the timeshare product exists (Table 7). And from the perspective that there are approximately 6 million US household owners who own a timeshare interest, one can easily determine that the timeshare/

Variance by resort location

Table 7: Interest in resort timeshare week or fractional share (percentages)

	1990	1993	1995	1999
Resort timeshare week/fractional share	8.0	15.2	20.3	22

vacation ownership industry has made considerable strides in consumer acceptance.

In closing, the aforementioned review and study support the contention that the vacation ownership industry is very robust and constantly changing in terms of consumer demand and in the sophistication of the resort product. Therefore, from an aggregate perspective the vacation ownership/timeshare product does indeed provide access to a very luxurious product that is capable of satisfying various consumers, as differentiated by demographics and psychographics and vacation and recreational needs. On a more practical note, these observations indicate that a considerable amount of opportunity exists to market and educate the remaining populace on the merits of vacation ownership given the sustained owner satisfaction patterns.

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