

# Industry Insight



## 2013 U.S. Membership Profile



# Introduction

## Leading the Way in Shared Ownership

Since 1976, Interval International® has been a leader in the shared ownership industry, providing resort developer clients and consumer members with outstanding services and compelling product enhancements.

Interval supports developers of all shared ownership product types, including traditional timeshare, fractional resorts, private residence clubs, and condominium-hotels. Clients include many of the world's most respected hospitality brands, as well as leading independent resort developers.

Through Interval membership, developers offer their consumer owners the opportunity to trade the use of their time for comparable accommodations in Interval's Quality Vacation Exchange Network of resorts, with locations in more than 75 countries. Global Member-Services Centers provide personal assistance to about 2 million families who are enrolled in various programs.

## Keeping Members Connected

Interval's investment in leading-edge technology continues to be a focal point of its member outreach. Members can make exchanges and book Getaways at IntervalWorld.com, as well as on a mobile version of the site. The Interval International app allows them to purchase Getaways, view resort and destination videos on Interval HD, and browse the Resort Directory. Members can also participate in Interval Community, one of the largest timeshare social-networking forums in the world.

## Providing Tools for Success

To assist potential industry entrants with their due diligence, Interval works closely with its research partners, tracking and reporting market trends and development issues. This also helps Interval give its existing clients a variety of tools to complement sales activities, including marketing programs and high-impact point-of-sale materials, along with ongoing operations support. The first-of-its-kind Interval Sales Tool Kit app, which features the interactive Interval Exchange Tracker, is used on the sales floor to demonstrate the flexibility and opportunities available to vacation owners.

## Harnessing Valuable Insights

From its earliest days, Interval has taken a leadership role in the pursuit of industry insight, recognizing the vital role it plays in making sound business decisions. The company remains committed to providing valuable research and decision-making tools to support its resort clients, and to bringing a world of vacation possibilities to its members.

The findings from the *Interval International 2013 U.S. Membership Profile* assist in developing and evolving the high-touch, high-quality benefits, products, and services available to members. Resort developers and prospective industry entrants may also find the observations and data useful in designing their products and sales and marketing strategies.

## Contents

Summary of Key Findings .....	2
Demographic Highlights .....	4
Timeshare Ownership and Satisfaction .....	7
Future Timeshare Purchase Interest .....	10
Travel Habits and Preferences .....	13
Alternative Vacation Interest .....	16
Methodology and Response Rate .....	18

# interval

I N T E R N A T I O N A L

## Industry Insight

### **Summary of Key Findings**

Interval International's *2013 U.S. Membership Profile* was prepared to assist Interval in developing benefits, products, and services for its U.S.-resident membership. The findings and observations detailed in this report are also presented to aid new vacation resort developers and experienced timeshare industry participants in targeting potential resort locations and developing insightful sales and marketing strategies based upon travel preferences and certain demographics of present vacation owners. This report further illustrates that these vacation owners are highly satisfied with their timeshare purchases.

#### **Demography:**

Interval's average U.S.-resident member is married and lives in a two-person household. More than 80 percent of Interval's U.S.-resident members are married, and almost six out of ten live in a household of two persons. About twelve percent of respondents live in a one-person household, approximately 13 percent live in a household containing three people, and 17 percent (rounded) live in a household containing four or more people.

#### **Household Income:**

Interval's U.S. members report an overall average household annual income of \$121,550, which is a slight increase from 2011. Approximately 65 percent of Interval International's U.S.-resident members reported total household income ranging from \$50,000 to \$149,999. Nearly one out of four earn \$150,000 or more, one out of ten earn \$250,000 or more, and nearly 40 percent earn between \$50,000 and \$100,000.

#### **Real Estate Ownership:**

Approximately 15 percent of Interval International U.S. members own a vacation home, and a similar proportion report ownership of investment property.

#### **Timeshare Ownership and Satisfaction:**

Interval International's U.S. members (who own an average of 1.9 weeks of timeshare) report high levels of satisfaction with their timeshare resort ownership. Approximately 85 percent of members report that

they are satisfied, and more than half (51.2 percent) report that they are either “extremely” or “very” satisfied with their timeshare resort ownership. More than half (53.5 percent) of Interval’s U.S. members own more than one week (or one-week equivalent). About 71 percent of respondents own intervals of the traditional weekly variety (floating season or fixed weeks); approximately 35 percent own some form of points-based products; and roughly 19 percent of respondents own biennials (every-other-year usage).

**Future Timeshare Purchase Interest:**

Approximately 18 percent of Interval U.S.–resident members indicate that they are somewhat, very, or extremely likely to purchase additional vacation time in the future (top states are Florida, Hawaii, and California). Among survey participants expressing an interest in purchasing additional vacation time, more than two out of three respondents indicate a preference for purchasing a two-bedroom unit. The purchase price and annual maintenance fees represent the two most influential factors in the timeshare-purchase decision process.

**Leisure Travel Nights:**

During the last twelve months, Interval International’s U.S. members averaged approximately 24 leisure nights away from home. Approximately 65 percent of the total annual leisure nights consisted of domestic travel (15.9 nights), with international travel comprising the remaining 35 percent (8.4 nights). The average length of stay was 6.5 and 5.8 nights for domestic and international travel, respectively.

**Preferred Destinations:**

The Caribbean, Bahamas, and Bermuda; Europe; and Mexico were cited as the most popular international vacation destinations, with approximately 39 percent, 36.5 percent, and 25 percent, respectively, of U.S. members planning to vacation in these regions during the next two years. The most desirable U.S. states according to Interval’s U.S. members are Florida, California, Hawaii, and Arizona.

**Alternative Vacation Interests:**

Interval International’s U.S. members enjoy a variety of activities while on vacation. These preferences range from low-impact endeavors such as shopping and sightseeing to more active pursuits, such as water sports, hiking, and golf. Interval members also enjoy full-service experiences on cruises and at all-inclusive resorts.

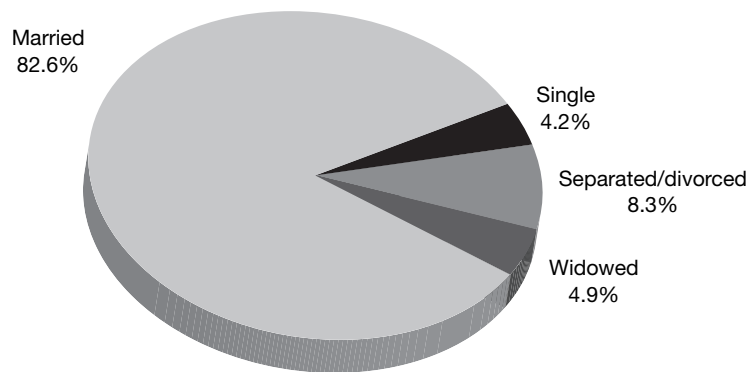


## Demographic Highlights

### Marital Status:

Approximately 83 percent of Interval International's U.S. members are married; about 8 percent are separated or divorced; approximately 5 percent are widowed; and 4.2 percent of respondents are single (never married). The high ratio of married couples among members is consistent with the industry as a whole and can be attributed to the value proposition of the timeshare product for family vacations.

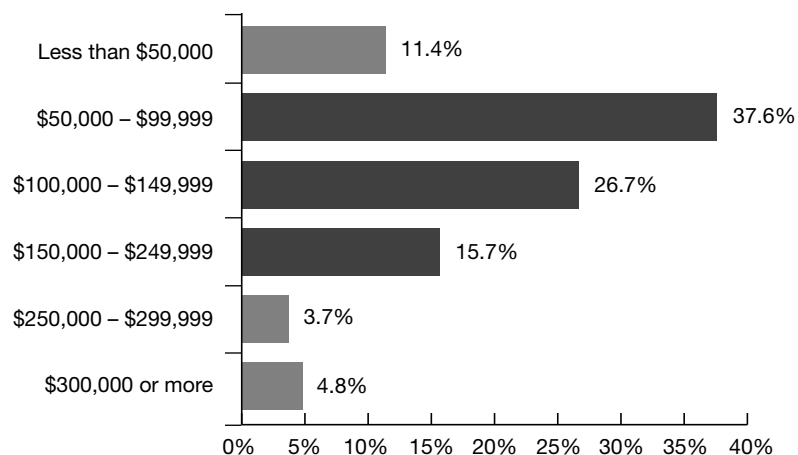
### MARITAL STATUS



### Income:

Interval's U.S. members report an overall average (or mean) household annual income of \$121,550. Nearly two out of three members report total household income ranging from \$50,000 to \$149,999. Approximately one out of four U.S. members report incomes of \$150,000 and above, and nearly one in ten report household incomes of \$250,000 and above.

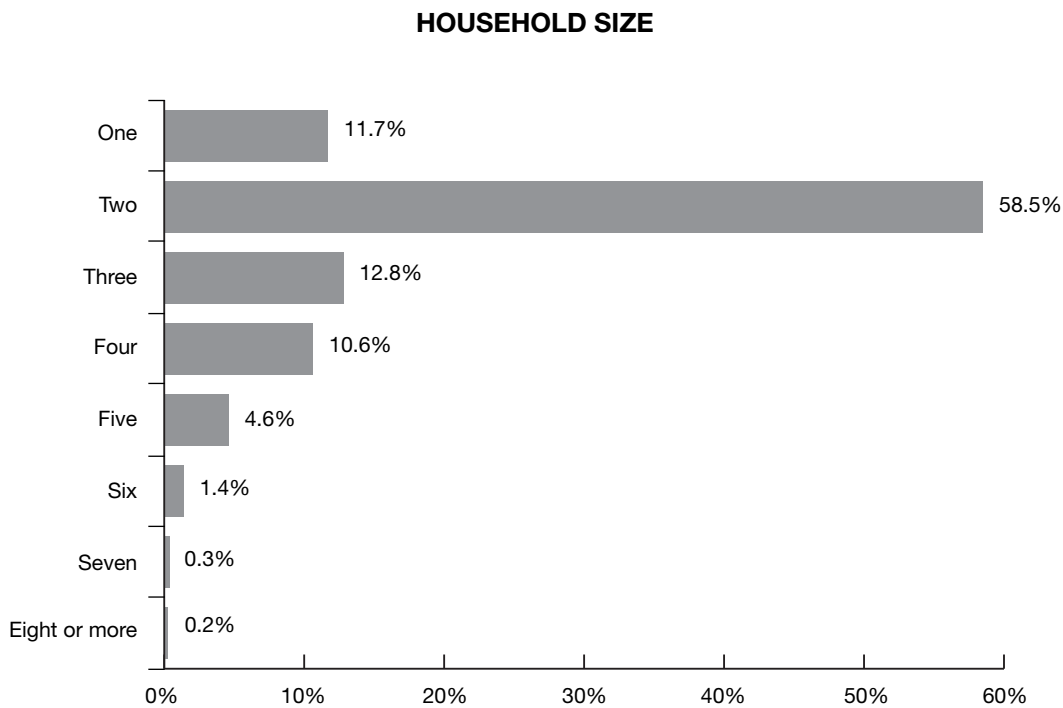
### HOUSEHOLD INCOME



**Household Size:**

By a large margin, the most common household size cited by survey respondents was two people (58.5 percent). One significant factor that contributes to the high number of two-person households is that a considerable portion of timeshare owners are in the empty nester phase of their lives. About 12 percent of respondents live in a one-person household, approximately 13 percent live in a household containing three people, and the remaining 17 percent (rounded) of the respondents live in a household containing four or more people. Over the past three surveys, the general trend has been toward an overall smaller average household size. Accordingly, the weighted average household size for members in 2009 was 2.9; in comparison, the weighted average household size in 2013 has decreased to 2.4.\*

The table below illustrates the distribution of the 2013 membership household size.



\*The 2009 survey was conducted by mail, which may have impacted the comparability of the results.

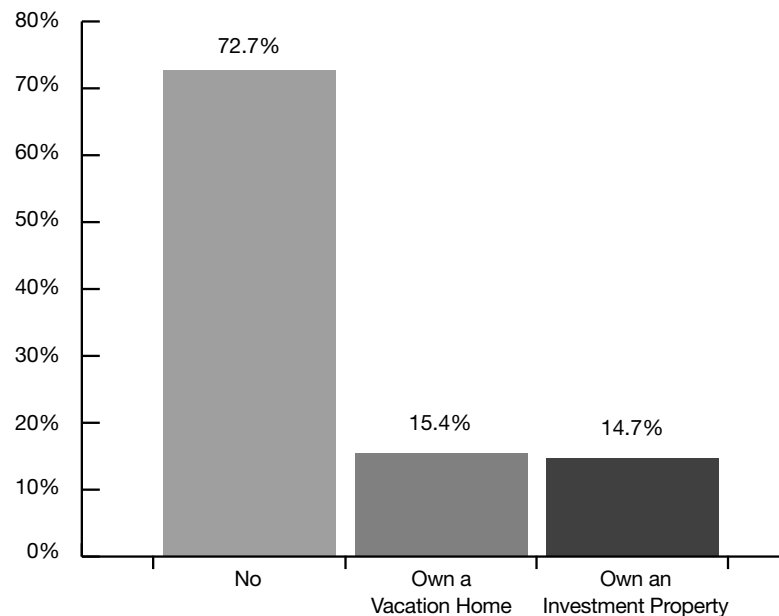
## HISTORICAL TREND OF HOUSEHOLD SIZE

<b>Household Size</b>	<b>2009*</b>	<b>2011</b>	<b>2013</b>
One	7.0%	11.8%	11.7%
Two	45.0%	57.8%	58.5%
Three	18.0%	14.1%	12.8%
Four	20.0%	10.6%	10.6%
Five	7.0%	3.9%	4.6%
Six	3.0%	0.3%	1.4%
Seven	1.0%	0.2%	0.3%
Eight or more	0.0%	0.0%	0.2%
<b>Weighted Average</b>	<b>2.9</b>	<b>2.3</b>	<b>2.4</b>

### Real Estate Ownership:

Approximately 15 percent of Interval International U.S. members report ownership of a vacation home, and nearly 15 percent report ownership of an investment property. (Note that the respondents' answers in total equal more than 100 percent, as it is possible to own a vacation home and an investment property.)

### SECOND-HOME OWNERSHIP



*\*The 2009 survey was conducted by mail, which may have impacted the comparability of the results.*

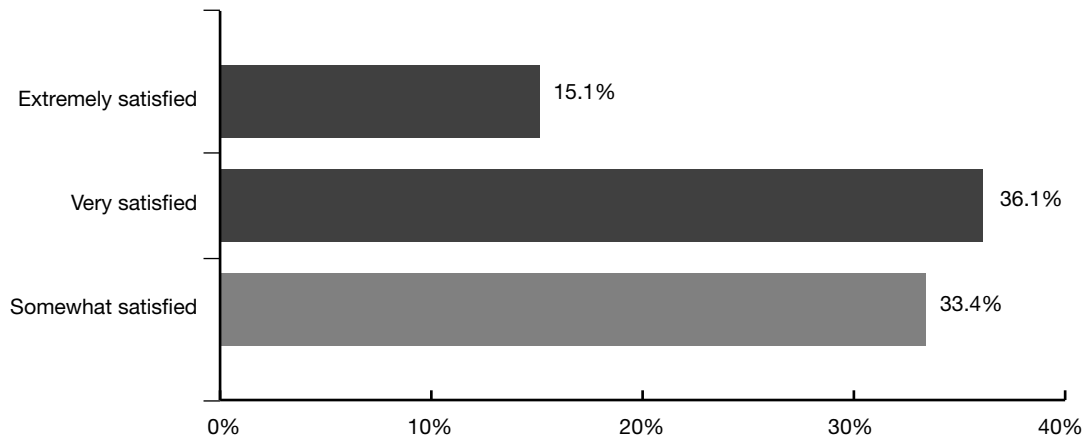


## Timeshare Ownership and Satisfaction

### Satisfaction:

Interval International's U.S. members report high levels of satisfaction with their timeshare resort ownership. Approximately 85 percent of members report that they are satisfied, and more than half (51.2 percent) report that they are either "extremely" or "very" satisfied with their timeshare resort ownership. The following table illustrates the U.S. membership satisfaction level according to the 2013 survey.\*

### SATISFACTION WITH TIMESHARE RESORT OWNERSHIP



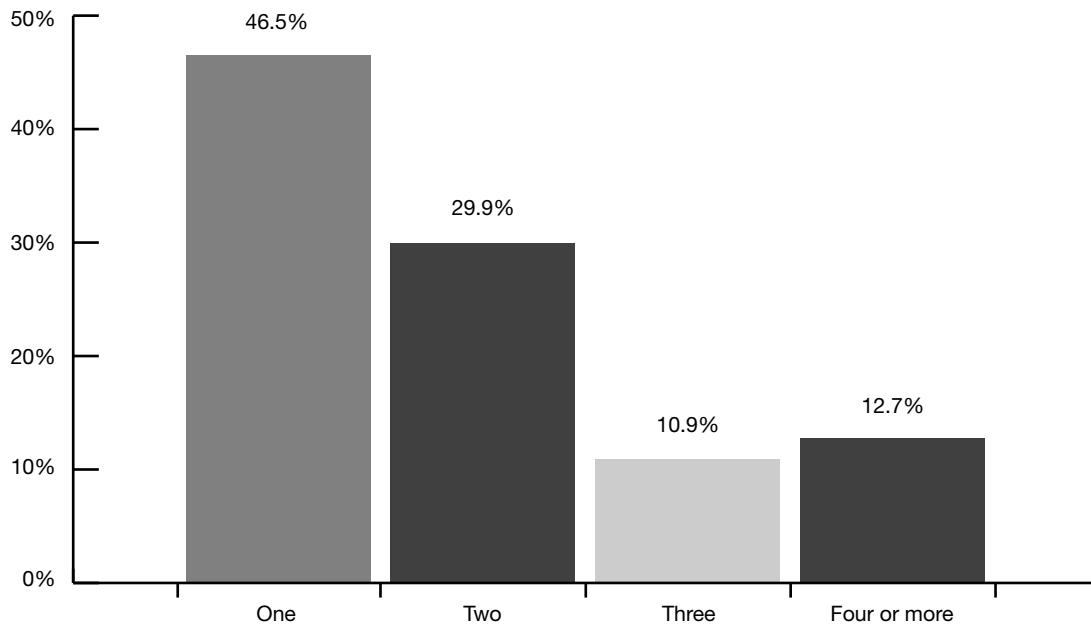
\*The 2009 survey was conducted by mail, which may have impacted the comparability of the results.



**Vacation Weeks Owned:**

More than half (53.5 percent) of Interval International’s U.S. members own more than one week (or one-week equivalent). This high percentage of multiple-week ownership is additional evidence of the generally high level of satisfaction among timeshare resort owners.

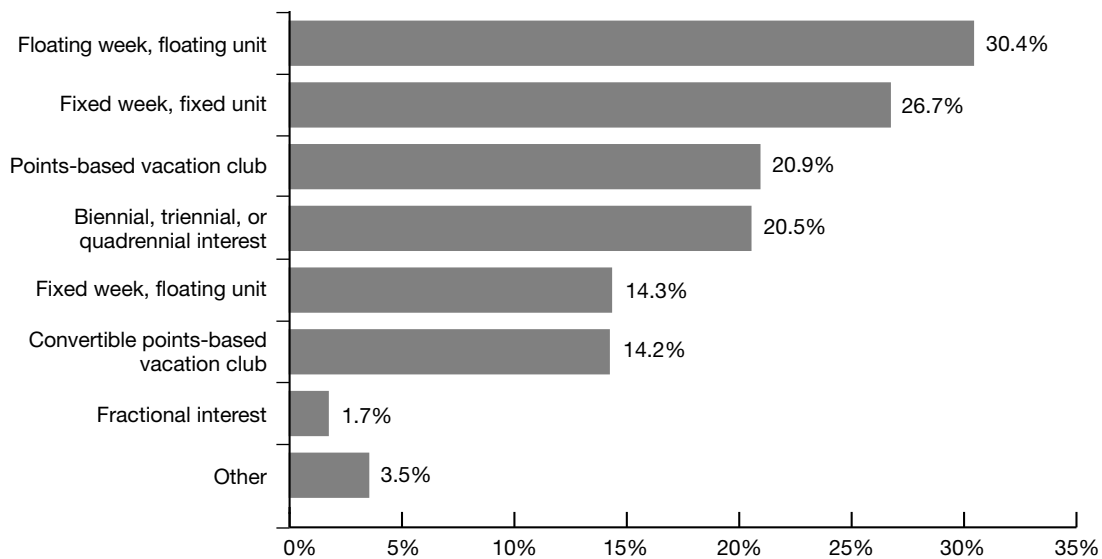
**NUMBER OF TIMESHARE WEEKS OR THEIR EQUIVALENTS OWNED**



**Use Plans:**

The vacation ownership industry features a wide range of use plans/ownership interests. About 71 percent of respondents own intervals of the traditional week variety (floating season or fixed weeks), approximately 35 percent own some form of a points-based product, and roughly one in five respondents own biennial, triennial, or quadrennial interests. The percentage of respondents owning points-based products has increased significantly in recent years, increasing from 22 percent in 2009 to 34 percent and 35 percent in 2011 and 2013, respectively.\* The distribution of use plans/ownership interests associated with the timeshare products owned by Interval International’s U.S. members is illustrated in the following table. (Note that the respondents’ answers in total equal more than 100 percent, as owners of multiple vacation ownership interests may have different types of use plans.)

**DISTRIBUTION OF USE PLANS**



**DISTRIBUTION OF USE PLANS – HISTORICAL TRENDS**

<b>Use Plans</b>	<b>2009*</b>	<b>2011</b>	<b>2013</b>
Interval weeks	74%	75%	71%
<b>Points</b>	<b>22%</b>	<b>34%</b>	<b>35%</b>
Biennial, triennial, or quadrennial	24%	16%	21%
Fractional	1%	1%	2%
Other	0%	3%	4%

\*The 2009 survey was conducted by mail, which may have impacted the comparability of the results.

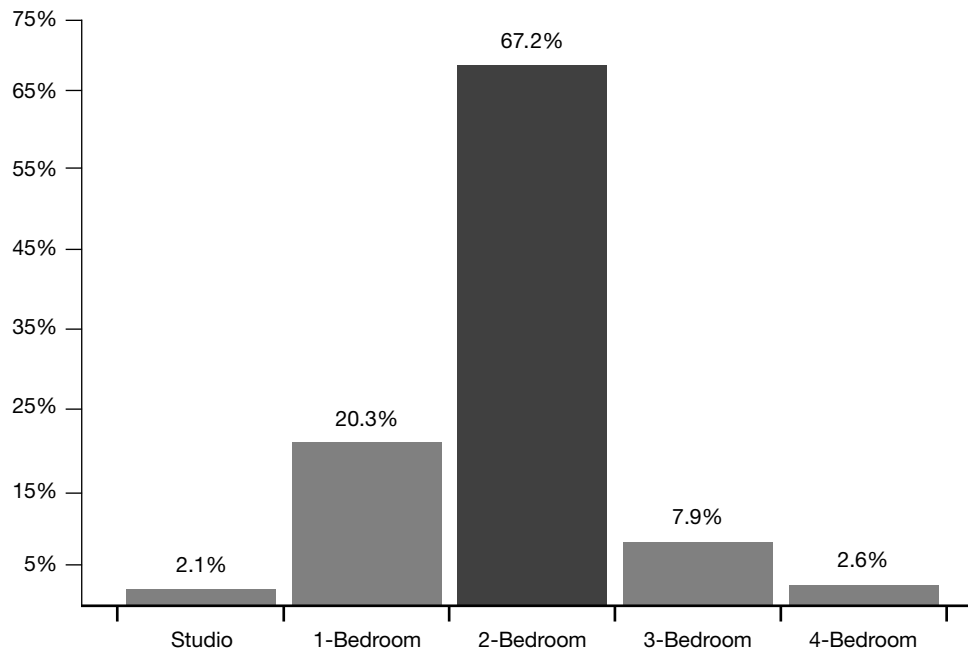


## Future Timeshare Purchase Interest

### Unit Type:

Approximately 18 percent of Interval U.S.–resident members indicate that they are somewhat, very, or extremely likely to purchase additional vacation time in the future. Interval International’s U.S. members were asked, “If you were to purchase additional vacation time, what would be your preferred unit size?” As indicated in the following chart, a two-bedroom unit is by far the most desired, with more than two out of three respondents indicating a preference for purchasing this unit type. One-bedroom units are the second-most preferred unit size, as reported by approximately 20 percent of respondents. Three-bedroom units, four-bedroom units, and studios are preferred by 7.9 percent, 2.6 percent, and 2.1 percent, respectively, of Interval International’s U.S. members.

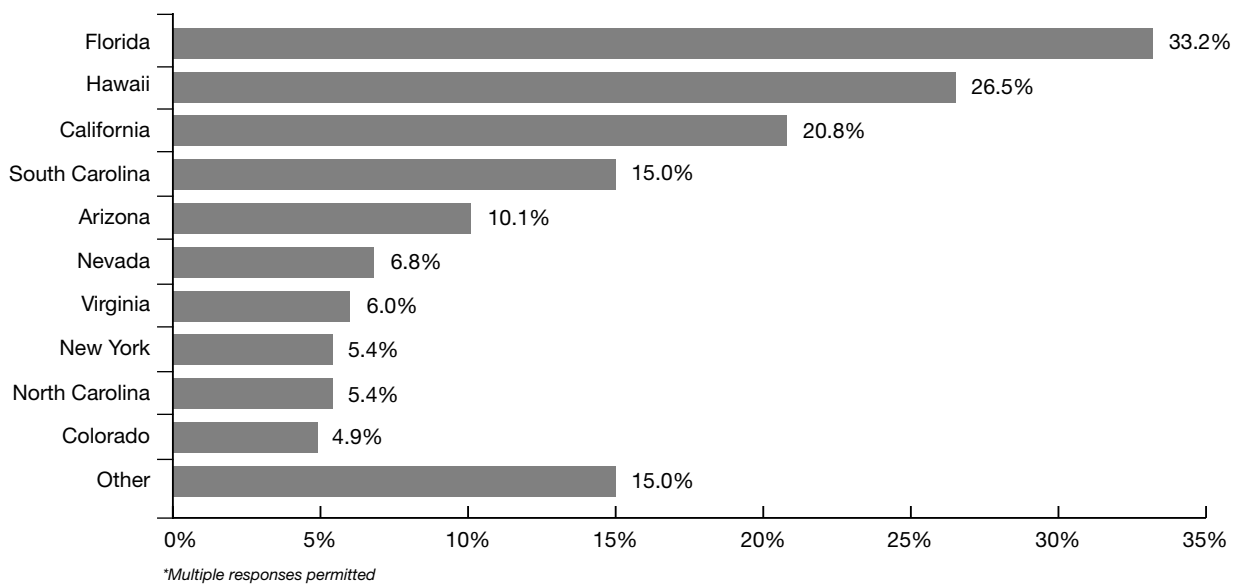
**PREFERRED UNIT SIZE**



**Most Popular States for Future Timeshare Purchase:**

Interval International’s U.S. members were asked where they would be most interested in purchasing timeshare. Approximately one in three respondents (33.2 percent) indicate that they would be most interested in purchasing timeshare in Florida. The next most desired states to purchase timeshare in are Hawaii (26.5 percent) and California (20.8 percent). The top-ten states that Interval International U.S. members are most interested in for purchasing timeshare are illustrated in the following table.

**MOST POPULAR STATES FOR FUTURE TIMESHARE INTEREST PURCHASE\***



**Factors That Influence the Timeshare-Purchase Decision:**

Understanding the physical product and desired resort location sought by interested vacation-owning consumers is vitally important, but other factors also influence the consumer’s purchase decision. The following table details, in order of importance, the factors that respondents report have the most influence on their purchase decision.

**FACTORS THAT INFLUENCE THE TIMESHARE-PURCHASE DECISION**

<i>Rank</i>	<i>Factor</i>
1	Purchase price
2	Ongoing maintenance fee cost
3	Resort interest term, e.g. deeded/lifetime, right to use for a term of years
4	Amenities available on-site at the resort
5	Exchange company trading power
6	Luxuriousness of the unit
7	All-inclusive



## Travel Habits and Preferences

Interval International's U.S. members are avid travelers who seek out a wide range of vacation activities and destinations when traveling for leisure purposes.

### Leisure Nights Away From Home:

During the last twelve months, Interval International's U.S. members averaged approximately 24 leisure nights away from home. Approximately 65 percent of the total annual leisure nights consisted of domestic travel (15.9 nights), with international travel comprising the remaining 35 percent (8.4 nights). The average length of stay was 6.5 and 5.8 nights for domestic and international travel, respectively.

In addition, the number of leisure vacation nights and length of stay and propensity for international travel have all shown significant improvement during the last two years, perhaps reflecting an improvement in the national economy.

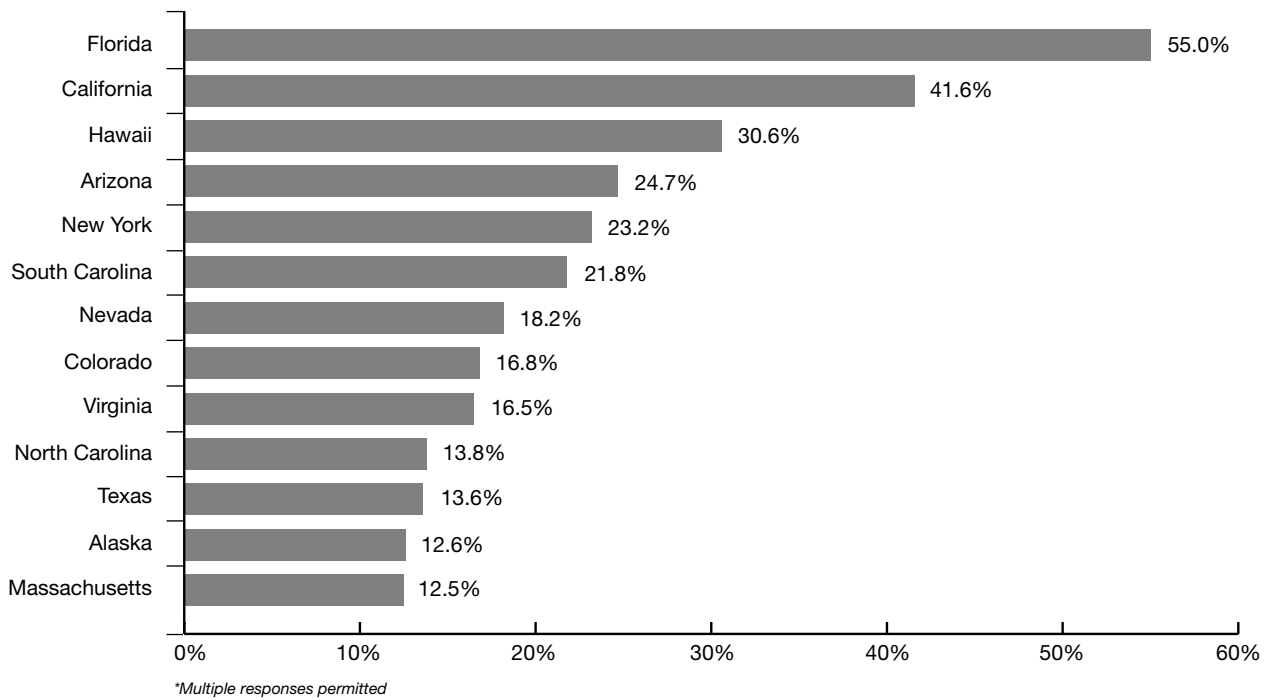
### TOTAL NUMBER OF NIGHTS SPENT AWAY FROM HOME DURING THE LAST TWELVE MONTHS AND AVERAGE LENGTH OF STAY

<i><b>Domestic Leisure Travel</b></i>	<i><b>2011</b></i>	<i><b>2013</b></i>
Average number of leisure nights (past 12 months)	15.0	15.9
Average length of stay	6.2	6.5
<i><b>International Leisure Travel</b></i>	<i><b>2011</b></i>	<i><b>2013</b></i>
Average number of leisure nights (past 12 months)	7.0	8.4
Average length of stay	4.1	5.8

**Domestic Travel and Preferred Destinations:**

As previously illustrated, Interval International’s U.S. members demonstrate a strong intention for domestic leisure travel. The following table illustrates the states that Interval International’s members plan to travel to within the next two years. More than half of the respondents intend to travel to Florida during that time period.

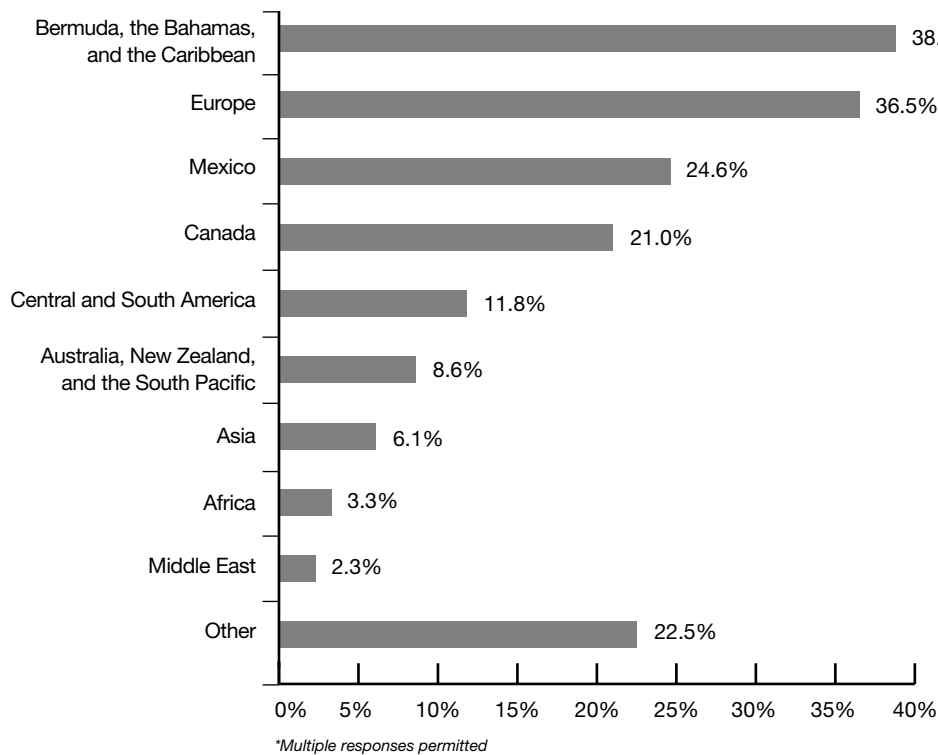
**U.S. STATES THAT MEMBERS PLAN TO VISIT IN THE NEXT TWO YEARS\***



**International Travel and Preferred Destinations:**

Interval International’s U.S. members’ desire for leisure travel includes international destinations. The Bermuda, the Bahamas, and the Caribbean region is reported by nearly four in ten (38.8 percent) survey respondents as their international leisure destination of choice for travel within the next two years. In addition, 36.5 percent of Interval’s U.S. members plan to visit Europe within the next two years, and almost one in four (24.6 percent) plan to travel to Mexico during the same period.

**INTERNATIONAL LOCATIONS THAT MEMBERS PLAN TO VISIT IN THE NEXT TWO YEARS\***



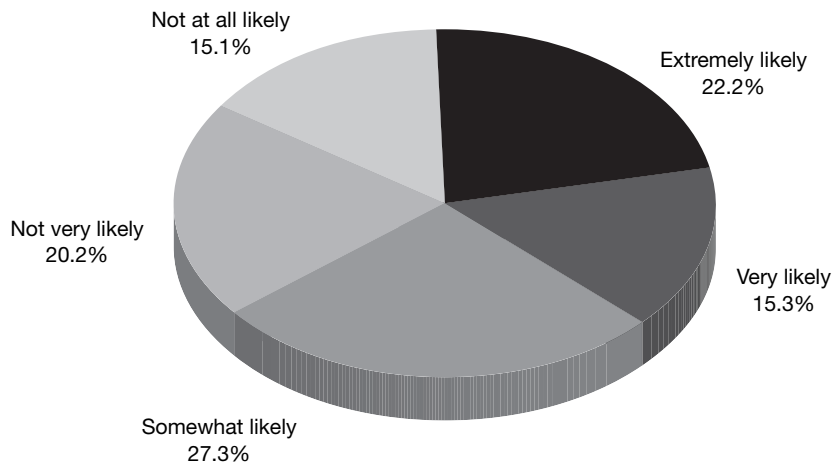




## Alternative Vacation Interests

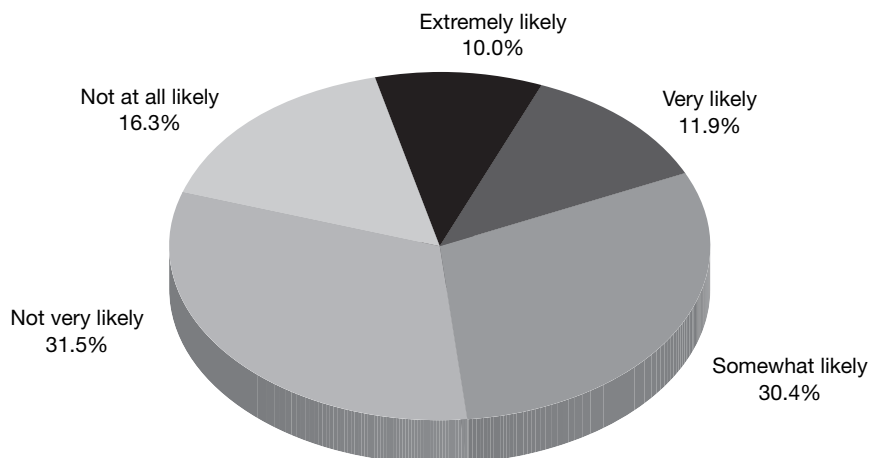
Beyond traditional timeshare, Interval members' other forms of alternative vacation interests include cruises and all-inclusive vacations. Cruise vacations are of significant interest for Interval International members. As such, approximately 65 percent of U.S. members responded that they are likely interested in taking a cruise sometime during the next two years.

### INTEREST IN TAKING A CRUISE IN THE NEXT TWO YEARS



Interval International's U.S. members also exhibit strong interest in the all-inclusive vacation concept (such as a vacation package that combines lodging with meals, beverages, and activities into a single overall price). In fact, more than half (52.3 percent) of survey respondents indicate that they are likely to purchase an all-inclusive vacation package during the next two years.

### INTEREST IN PURCHASING AN ALL-INCLUSIVE VACATION IN THE NEXT TWO YEARS



Interval International’s U.S. members enjoy a variety of activities while on vacation. These preferences range from low-impact endeavors such as shopping and sightseeing to more active pursuits such as water sports, hiking, and golf, as illustrated in the following table.

**PREFERRED VACATION ACTIVITIES\***

<b>Activities</b>	
Sightseeing	82.3%
Shopping	71.9%
Swimming	68.0%
Working out/exercise	42.3%
Plays/concerts/public performances	39.4%
Spa services	35.0%
Snorkeling	32.8%
Hiking	31.8%
Golfing	31.0%
Watching movies	30.8%
Ecotours (airboat rides, zip lining, etc.)	25.9%
Biking/cycling	22.3%
Gaming	21.1%
Sailing/boating	18.4%
Fishing	17.5%
Canoeing/kayaking	16.8%
Horseback riding	12.8%
Snow skiing/snowboarding	11.1%
Tennis	8.5%
Scuba diving	8.3%
Waterskiing	3.1%
Other	13.9%

*\*Multiple responses permitted*



## Methodology and Response Rate

Interval International conducted an online survey of its U.S. membership base for the purpose of developing a profile of members' demographic characteristics, timeshare ownership and satisfaction, future timeshare-purchase interest, and travel habits and activities as a basis to develop benefits and services offered to its consumer members. The data accumulated as a result of this study may also be useful to resort developers and prospective industry entrants in developing their own marketing and promotion strategies.

Study respondents were invited to participate through the use of an opt-in link exclusively displayed to U.S.-resident members via email. The fielding period extended from November 2012 through February 2013.



The Shared Ownership Services division of HVS, the world's premier hotel consulting and valuation firm, analyzed the data from the survey and produced this profile. A total of 2,909 respondents completed the survey. Accordingly, it is estimated that the overall sampling error associated with this study is + two percent at a 95 percent confidence level.

Means were computed using the actual values reported by respondents in open-ended questions and the midpoint values of the ranges in closed-ended questions. For the bottom range, the midpoint was used (i.e., under 10 = 5); for the top range, the lower limit of the range was used (i.e., 50 or more = 50).

"No answers" and partial-response data to survey questions were excluded from the base used for calculating percentages.



---

IntervalWorld.com



ResortDeveloper.com