

Industry Insight



2015

Australia/New Zealand Membership Profile



Summary of Key Findings

Interval International's 2015 Australia/New Zealand (ANZ) Membership Profile was prepared to assist Interval International in developing benefits, products and services for its ANZ-resident membership. The findings and observations detailed in this report are also presented to aid new 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 International's average ANZ-resident member is married and lives in a two-person household. About 84 per cent of Interval's ANZ-resident members are married, and 58 per cent of the members live in a household of two people. About 11 per cent of respondents live in a one-person household, approximately 12 per cent live in a household containing three people and 19 per cent live in a household containing four or more people.

Interval International's largest ANZ-resident member age group is between 54 and 64 years of age, accounting for 44 per cent of all members. Members above the age of 65 account for 30 per cent of all members, with the age group of 43 – 53 accounting for another 21 per cent. About four per cent of Interval International's members are below the age of 43.

Real Estate Ownership:

Approximately 38 per cent of Interval International's ANZ-resident members own a second home, with eight per cent reporting ownership of a vacation home, and 30 per cent owning an investment property.

Timeshare Ownership and Satisfaction:

Interval International's ANZ-resident members report high levels of satisfaction with their timeshare resort ownership. Around 75 per cent of members report that they are satisfied and, within that proportion, more than one-third (35.5 per cent) report that they are either "extremely" or "very" satisfied with their timeshare resort ownership. About 29 per cent of respondents own intervals of the traditional weekly variety (floating season or fixed weeks); approximately 62 per cent own some form of points-based product; and roughly five per cent of respondents own biennial, triennial or quadrennial interests. Around four per cent own at a fractional or other type of resort.

Future Timeshare Purchase Interest:

Approximately 20 per cent of Interval International's ANZ-resident members indicate that they are somewhat, very, or extremely likely to purchase additional holiday time in the future. Amongst survey participants expressing an interest in purchasing additional holiday time, one- and two-bedroom units were preferred at equal rates (42 per cent). The purchase price and annual maintenance fees represent the two most influential factors in the timeshare purchase decision process. More than half (55 per cent) of Interval International's members who expressed interest in purchasing additional holiday time are interested in purchasing close to home in Australia or New Zealand.





Leisure Travel Nights:

During the last 12 months, Interval International's ANZ-resident members averaged approximately 33 leisure nights away from home. Approximately 45 per cent of the total annual leisure nights consisted of domestic travel (15 nights away), with international travel comprising the remaining 55 per cent (18 nights away). The average length of stay was six and 14 nights for domestic and international travel, respectively.

Preferred Destinations:

Australia and New Zealand, Europe, the US and Canada together with Asia generally, were cited as the most popular holiday destinations, with most ANZ-resident members planning to holiday in these regions during the next two years.

Vacation Activities and Planning:

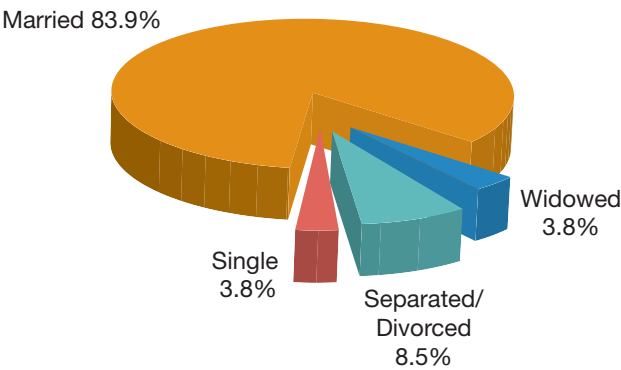
Interval International's ANZ-resident members enjoy a variety of activities while on holiday. These preferences range from more passive activities such as shopping and sightseeing to more active pursuits such as water sports, hiking, cycling and golf.

Demographic Highlights

Marital Status:

Approximately 84 per cent of Interval International’s ANZ-resident members are married; about nine per cent are separated or divorced; approximately four per cent are widowed; and 4 per cent of respondents are single (never married). The high ratio of married couples (+80 per cent) amongst members is consistent with the industry as a whole and is largely attributable to the value proposition of the timeshare product for family holidays.

MARITAL STATUS

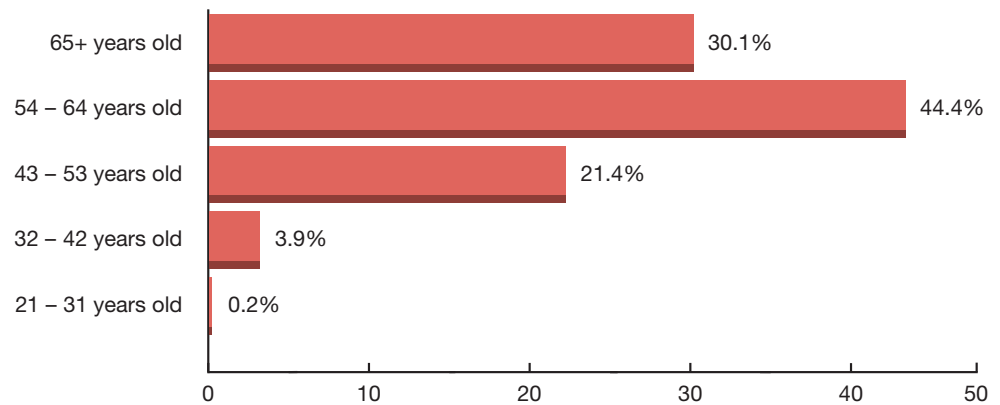




Age:

The largest age group for Interval International's ANZ-resident members is between 54 and 64 years of age, accounting for 44 per cent of all members. Thirty per cent of members are over the age of 65, and another 21 per cent of members fall between 43 and 53 years of age. Members under the age of 43 only account for about four per cent of all members.

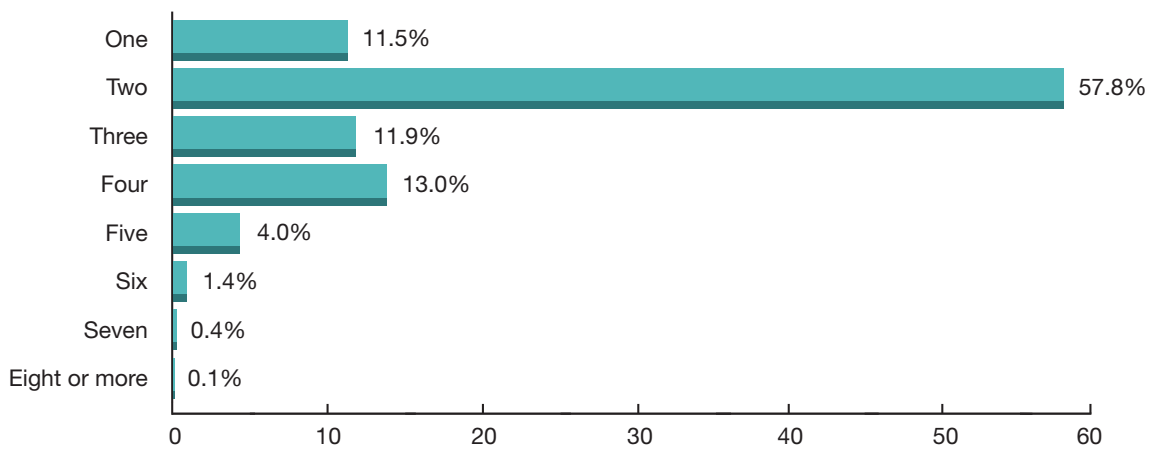
AGE



Household Size:

By a large margin, the most common household size cited by survey respondents was two people (58 per cent). One significant factor that contributes to the high number of two-person households is the considerable portion of timeshare owners who are in the “empty nester” phase of their lives. Approximately 12 per cent live in a household containing three people, and 11.5 per cent live in a one-person household. The remaining 19 per cent of the respondents live in a household containing four or more people. The table below illustrates the distribution of the membership household size.

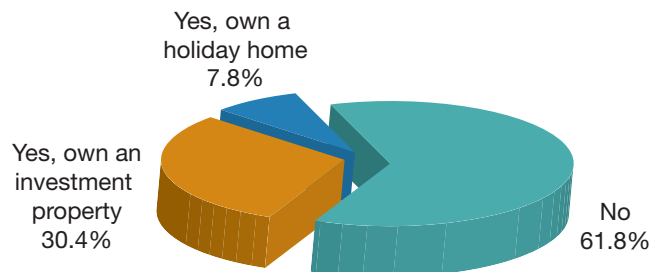
HOUSEHOLD SIZE



Real Estate Ownership:

Approximately 38 per cent of Interval International’s ANZ–resident members own a second home: eight per cent own a holiday home, and 30 per cent report ownership of an investment property.

SECOND-HOME OWNERSHIP



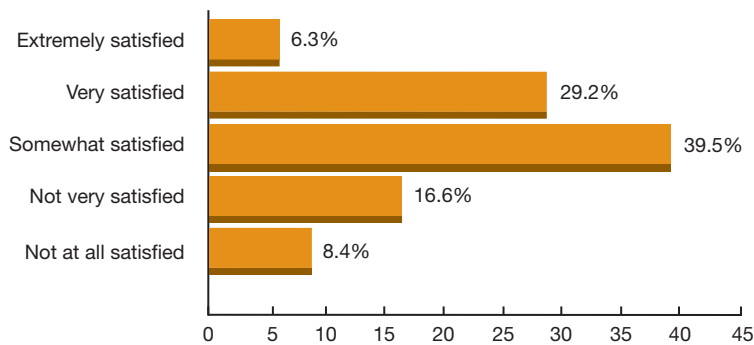


Timeshare Ownership and Satisfaction

Satisfaction:

Interval International's ANZ-resident members report high levels of satisfaction with their timeshare resort ownership. Approximately 75 per cent of members report that they are satisfied, with more than one-third (35.5 per cent) reporting that they are either "extremely" or "very" satisfied with their timeshare resort ownership. The following table illustrates the ANZ membership satisfaction levels.

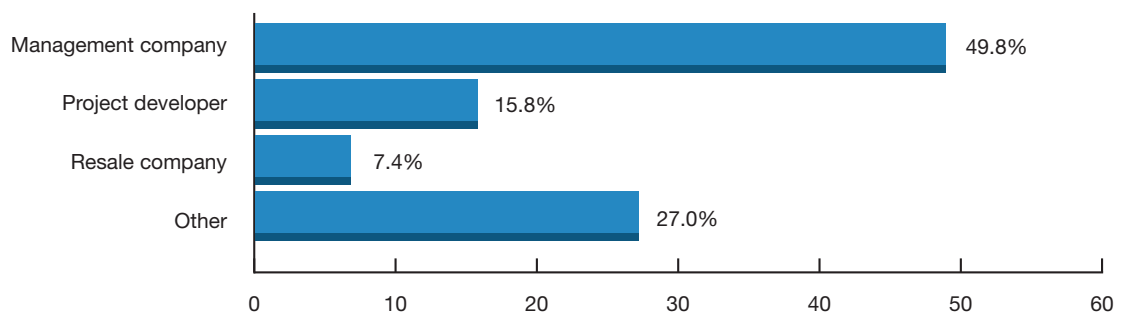
SATISFACTION WITH TIMESHARE RESORT OWNERSHIP





ACQUISITION SOURCES UTILISED TO ACQUIRE TIMESHARE OWNERSHIP

Two-thirds (65.6 per cent) of Interval International's ANZ-resident members acquired their holiday weeks from resort project developers or management companies. Third-party resale companies accounted for only seven per cent of acquisition sources.



Use Plans:

The vacation ownership industry features a wide range of use plans and ownership interests. About 29 per cent of respondents own intervals of the traditional weekly variety (floating season or fixed weeks); approximately 62 per cent own some form of points-based product; and roughly five per cent of respondents own biennial, triennial or quadrennial interests. The percentage of respondents owning points-based products is significantly higher in Australia and New Zealand than in other parts of Interval's world, and is largely attributable to the fact that since 1999, only points products have been actively sold there.

Future Timeshare Purchase Interest

Interest in Timeshare Purchase:

Interval International's ANZ-resident members were asked, "How likely are you to purchase additional holiday time in the future"? The chart below shows that one-fifth (20 per cent) of members expressed an interest in purchasing additional holiday time in the future.

INTEREST IN HOLIDAY TIMESHARE PURCHASE

Likelihood of Purchasing Additional Holiday Time	(Percentages)
Extremely likely	1.4%
Very likely	4.7%
Somewhat likely	13.9%
Not very likely	38.7%
Not at all likely	41.4%

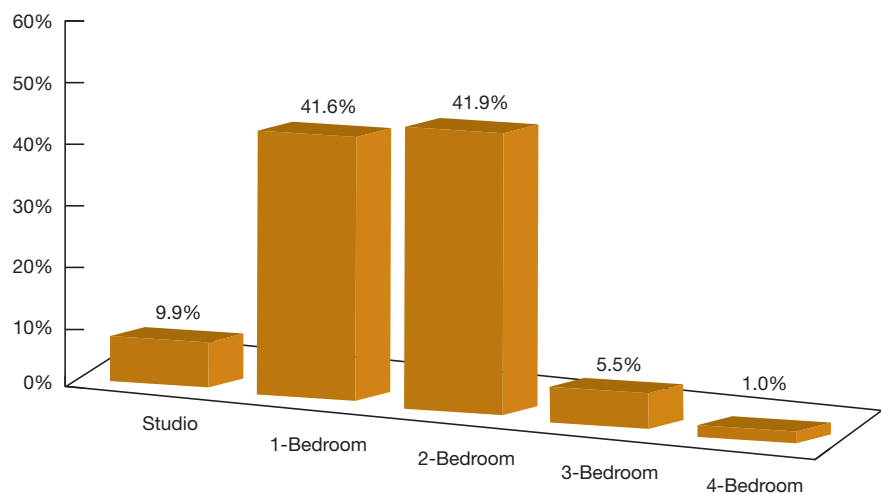




Unit Type:

Interval International's ANZ-resident members were asked, "If you were to purchase additional holiday time, what would be your preferred unit size"? As indicated in the following chart, the respondents were equally split (42 per cent each) in their preference for purchasing either a one- or a two-bedroom unit. Studio units are the next most preferred unit size, as reported by approximately 10 per cent of respondents. Three-bedroom units and four-bedroom units are preferred by 5.5 per cent and one per cent, respectively, of Interval International's ANZ-resident members.

PREFERRED UNIT SIZE

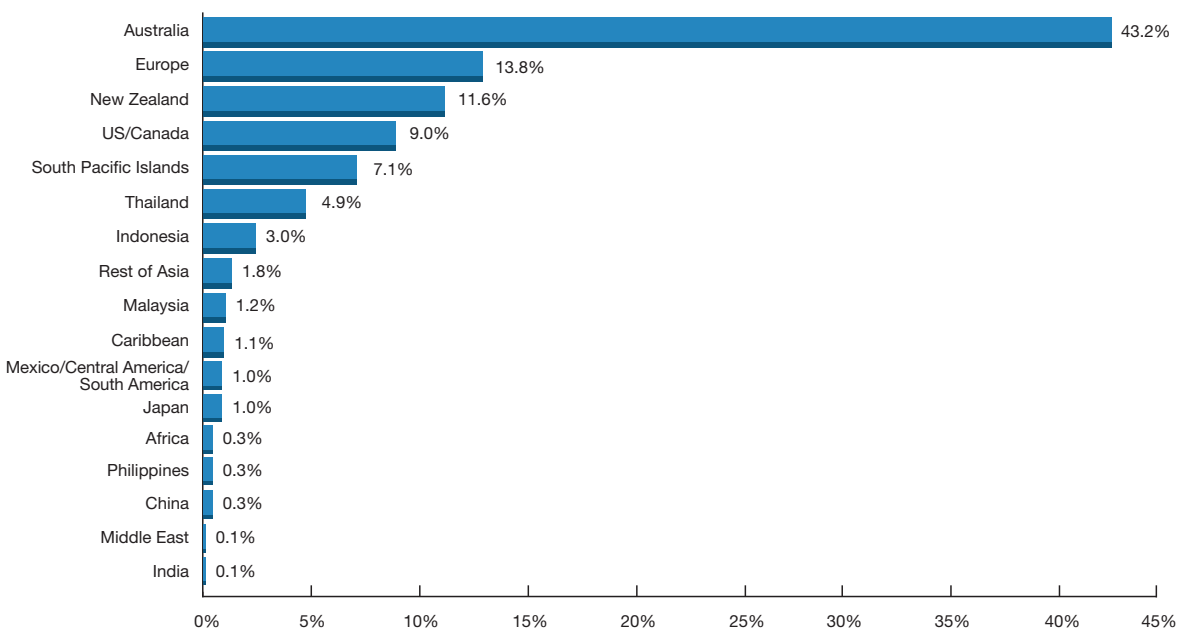




Most Popular Destination for Future Timeshare Purchase:

Interval International’s ANZ–resident members were asked, “Where would you be most interested in purchasing timeshare”? More than half of the respondents (55 per cent) indicated that they would be most interested in purchasing timeshare close at home in Australia (43 per cent) or New Zealand (12 per cent). The next most desired area in which to purchase timeshare is Europe at 14 per cent combined. The US and Canada follow in popularity with a combined nine per cent. Considering all of the Asian countries together, interest is around 13 per cent. The top countries that Interval International’s ANZ–resident members are most interested in purchasing timeshare are illustrated in the following table.

MOST POPULAR DESTINATIONS FOR FUTURE TIMESHARE INTEREST PURCHASE



Factors That Influence Timeshare Purchase Decision:

Understanding the physical product and desired resort location sought by timeshare owners is vitally important, but other factors also influence the consumer's purchase decision. The following table details, in rank order of importance, the factors that respondents report have the most influence on their purchase decision.

FACTORS THAT INFLUENCE TIMESHARE PURCHASE DECISION

Rank	Factor
1	Purchase price
2	Annual maintenance fee
3	Ownership duration (eg, deeded interest, term for years deeded, right-to-use)
4	Luxuriousness of the unit
5	Amenities at resort
6	All-inclusive resort plan



Travel Habits and Preferences

Interval International's ANZ-resident members are avid travellers who seek a wide range of holiday activities and destinations when travelling for leisure purposes.

Leisure Nights Away From Home:

During the last 12 months, Interval International's ANZ-resident members averaged approximately 33 leisure nights away from home. Approximately 45 per cent of the total annual leisure nights consisted of domestic travel (15 nights away), with international travel comprising the remaining 55 per cent (18 nights). The average length of stay was six and 14 nights for domestic and international travel, respectively.

TOTAL NUMBER OF NIGHTS SPENT AWAY FROM HOME DURING THE LAST 12 MONTHS AND AVERAGE LENGTH OF STAY

Domestic Leisure Travel

Average number of leisure nights (past 12 months)	15
Average length of stay	6

International Leisure Travel

Average number of leisure nights (past 12 months)	18
Average length of stay	14

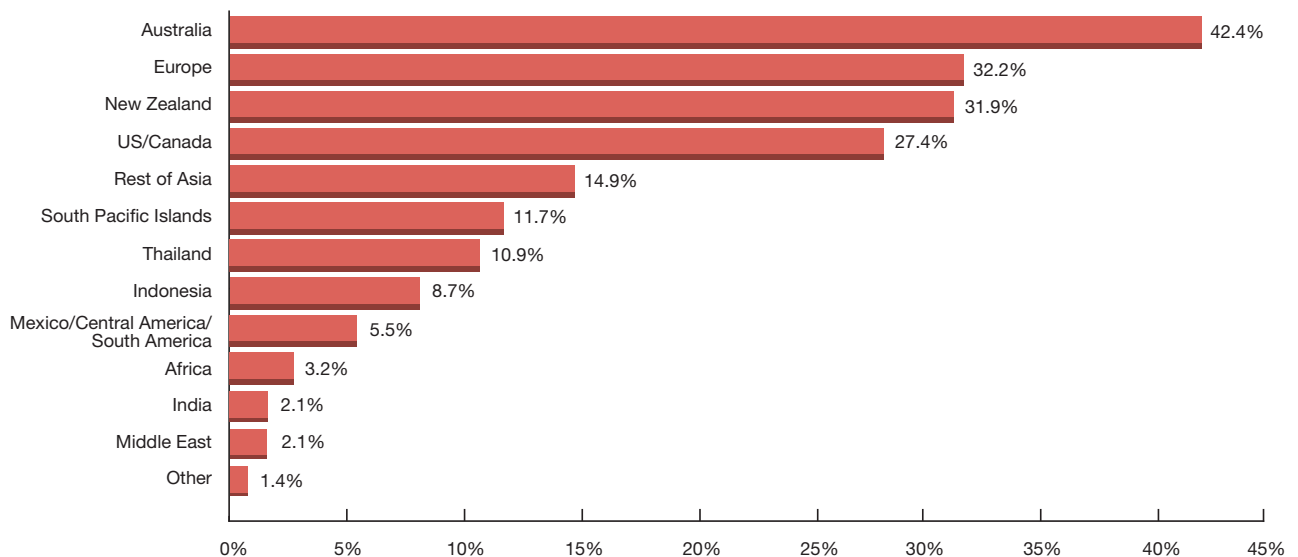




Preferred Destinations:

As previously illustrated, Interval International's ANZ-resident members demonstrate a strong interest for leisure travel. The following table illustrates the areas to which members plan to travel within the next two years. The largest proportion of the respondents intend to travel within their two countries during the next two years.

PREFERRED DESTINATIONS TO TRAVEL IN THE NEXT TWO YEARS*

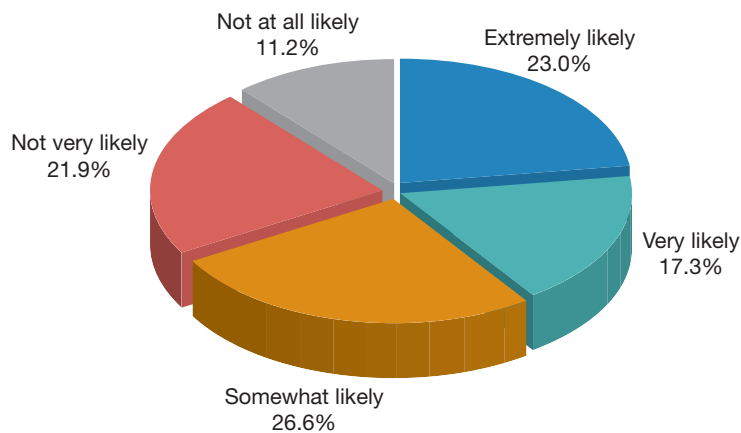


*Multiple responses permitted

Alternative Holiday Interests

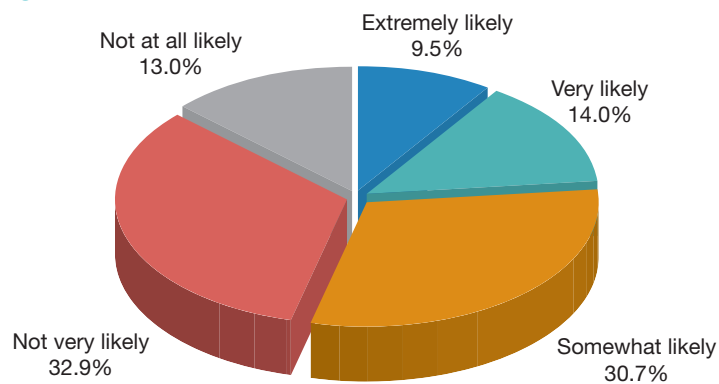
Beyond traditional timeshare, other forms of holiday interests noted by Interval members include cruise and all-inclusive holidays. As such, two-thirds (67 per cent) of the ANZ-resident members surveyed expressed some positive level of interest in taking a cruise during the next two years.

INTEREST IN TAKING A CRUISE IN THE NEXT TWO YEARS



Interval International's ANZ-resident members also exhibit interest and support of the all-inclusive holiday concept (such as a holiday package that combines lodging with meals, beverages and activities into a single overall price), although less so than for cruising. In fact, just over half (54 per cent of survey respondents) indicate that they are likely to purchase an all-inclusive holiday package during the next two years.

INTEREST IN PURCHASING AN ALL-INCLUSIVE HOLIDAY PACKAGE IN THE NEXT TWO YEARS





Interval International’s ANZ–resident members enjoy a variety of activities while on holiday. These preferences range from more passive activities such as shopping and sightseeing to more active pursuits such as water sports, hiking, cycling and golf, as illustrated in the following table.

PREFERRED VACATION ACTIVITIES*

Sightseeing	61.5%
Shopping	52.3%
Swimming	43.8%
Attending plays/concerts/public performances	26.3%
Going to a spa	25.1%
Watching movies	25.1%
Snorkelling	20.8%
Hiking	17.8%
Exercising/working out	17.6%
Biking/cycling	14.4%
Fishing	11.9%
Golfing	11.7%
Going to a casino	10.7%
Canoeing/kayaking	10.3%
Snow skiing/snowboarding	9.9%
Sailing/boating	9.7%
Playing tennis	7.5%
Other	6.0%
Scuba diving	5.6%
Horse riding	2.9%
Water skiing	1.1%
Hunting	0.5%

**Multiple responses permitted*

Methodology and Response Rate

Interval International conducted an online survey of its ANZ-resident 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 selected at random and invited to participate by email. The fielding period was 2014.

A total of 1,508 respondents completed the survey. Accordingly, it is estimated that the overall sampling error associated with this study is +2.8 at a 95 per cent confidence level.

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





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