

Industry Insight



2013 UK 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 accommodation in Interval's Quality Vacation Exchange Network of resorts, with locations in more than 75 countries. Global Member-Services Centres provide personal assistance to about 2 million families who are enrolled in various programmes.

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 programmes 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, recognising 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 holiday possibilities to its members.

The findings from the *Interval International 2013 UK 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	3
Demographic Highlights	6
Timeshare Ownership and Satisfaction	10
Future Timeshare Purchase Interest	12
Travel Habits and Preferences	16
Alternative Holiday Interests	18
Methodology and Response Rate	20



Summary of Key Findings

Interval International's 2013 UK Membership Profile was prepared to assist Interval International in developing benefits, products and services for its UK-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 International's average UK-resident member is married and lives in a two-person household. Eighty-five per cent of Interval's UK-resident members are married, and approximately 55 per cent of the members live in a household of two persons. About 13 per cent of respondents live in a one-person household; approximately 14 per cent live in a household containing three people, and 18 per cent (rounded) live in a household containing four or more people.

Interval International's largest UK-resident member age group is those from 54 to 64 years of age, accounting for almost 40 per cent of all members. Members age 65 and above account for about 33 per cent of all members, with the age group of 43- to 53-year-olds accounting for another 23 per cent (rounded). About 4 per cent of Interval International's UK members are below the age of 43.

Household Income:

Approximately 57 per cent of Interval International's UK-resident members reported total household income ranging from £30,000 to £89,999. Survey respondents with incomes below £30,000 and £90,000 or more are reportedly 25 per cent (rounded) and 18 per cent, respectively.

Real Estate Ownership:

Approximately 33 per cent of Interval International UK members own a second home — nearly 13 per cent for holidays and 20.6 per cent for investment purposes.

Timeshare Ownership and Satisfaction:

Interval International's UK members report high levels of satisfaction with their timeshare resort ownership. Around 82 per cent of members report that they are satisfied, and more than half (53.2 per cent) report that they are either “extremely” or “very” satisfied with their timeshare resort ownership. More than half (54.4 per cent) of Interval's UK members own more than one week (or one-week equivalent). About 75 per cent of respondents own intervals of the traditional weekly variety (floating season or fixed weeks), approximately 18 per cent own some form of points-based product and roughly 17 per cent of respondents own biennial, triennial or quadrennial interests. Some members own more than one type.





Future Timeshare Purchase Interest:

Approximately 13 per cent of Interval International UK–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, more than half of the respondents (57.4 per cent) indicated a preference for purchasing a two-bedroom unit. The purchase price and annual maintenance fee represent the two most influential factors in the timeshare purchase decision process. More than half (57.7 per cent) of Interval International’s UK members that expressed interest in purchasing additional holiday time are interested in the UK, Ireland and the rest of Europe.

Leisure Travel Nights:

During the last 12 months, Interval International’s UK members averaged approximately 28 leisure nights away from home. Approximately 48 per cent of the total annual leisure nights consisted of domestic travel (13.3 nights), with international travel comprising the remaining 52 per cent (14.4 nights). The average length of stay was 4.5 and 8.5 nights for domestic and international travel, respectively.

Preferred Destinations:

The US, UK, Ireland and the rest of Europe, together with the Caribbean, were cited as the most popular holiday destinations, with nearly 50 per cent planning to holiday in the US and 32 per cent considering Europe outside of the UK and Ireland during the next two years.

Holiday Activities and Planning:

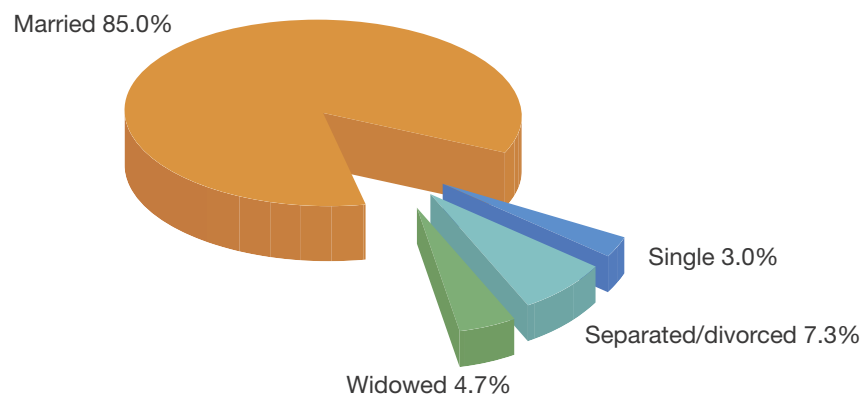
Interval International’s UK members enjoy a variety of activities while on holiday. These preferences range from more passive activities, such as shopping and sightseeing, to more active pursuits, such as water sports, hiking and golf.

Demographic Highlights

Marital Status:

Eighty-five per cent of Interval International's UK members are married; about 7 per cent are separated or divorced; approximately 5 per cent are widowed; and 3 per cent of respondents are single (never married). The high ratio of married couples (more than 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.

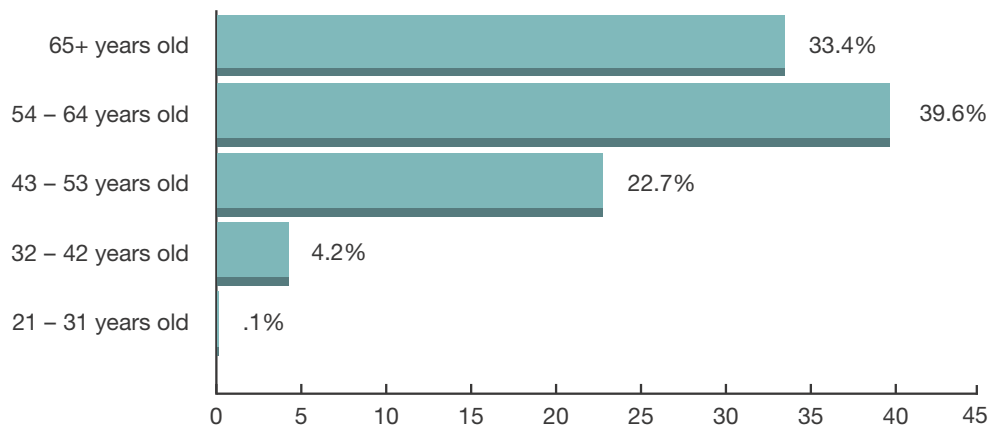
MARITAL STATUS



Age:

The largest age group amongst Interval International's UK members is those from 54 to 64 years of age, accounting for nearly 40 per cent of all members. About 33 per cent of members are age 65 or older, and nearly 23 per cent of members are from 43 to 53 years of age. Members under the age of 43 account for only about 4 per cent of all members.

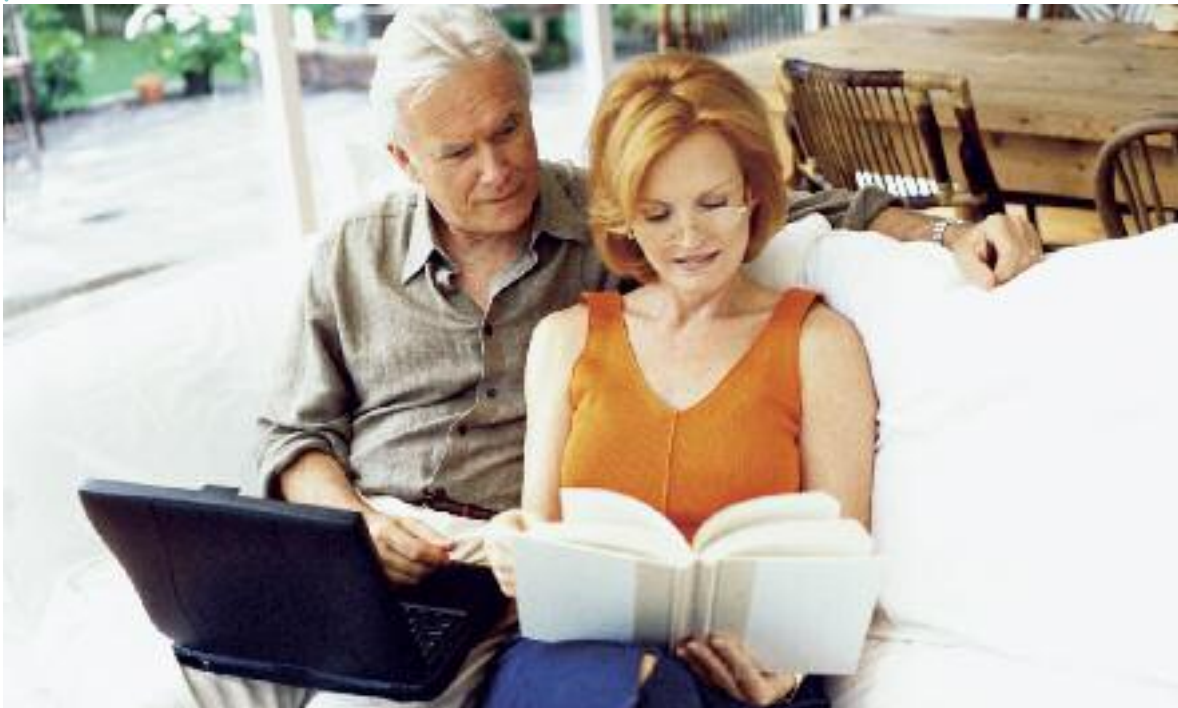
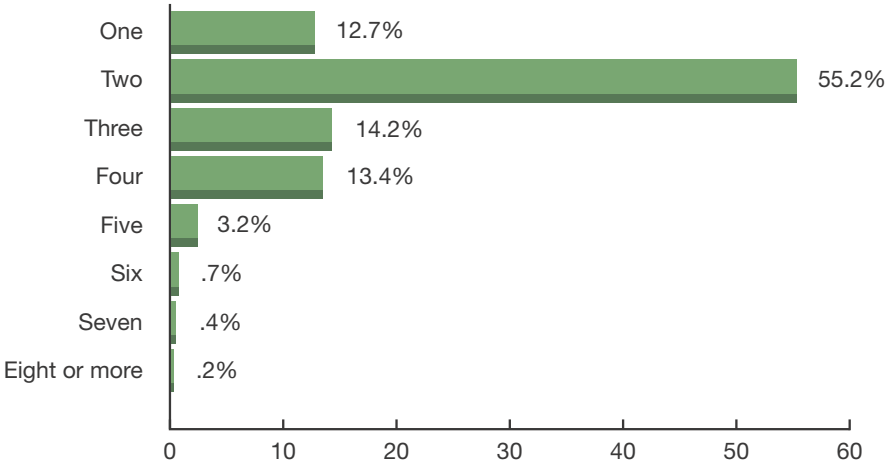
AGE



Household Size:

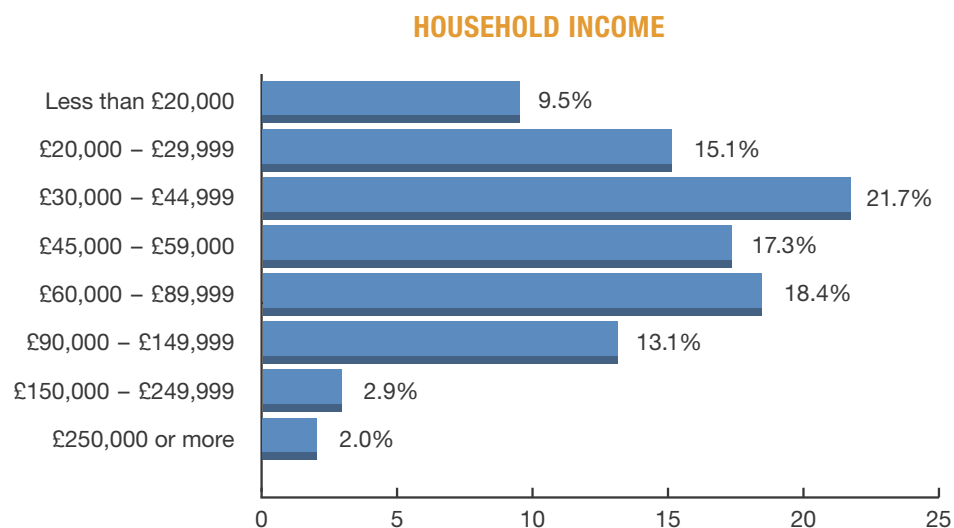
By a large margin, the most common household size cited by survey respondents was two persons (55.2 per cent). One significant factor that contributes to the high number of two-person households is the considerable portion of timeshare owners who are in the empty-nester phase of their lives. About 13 per cent of respondents live in a one-person household, approximately 14 per cent live in a household containing three people and the remaining 18 per cent (rounded) of the respondents live in a household containing four or more people. The table below illustrates the distribution of the 2013 membership household size.

HOUSEHOLD SIZE



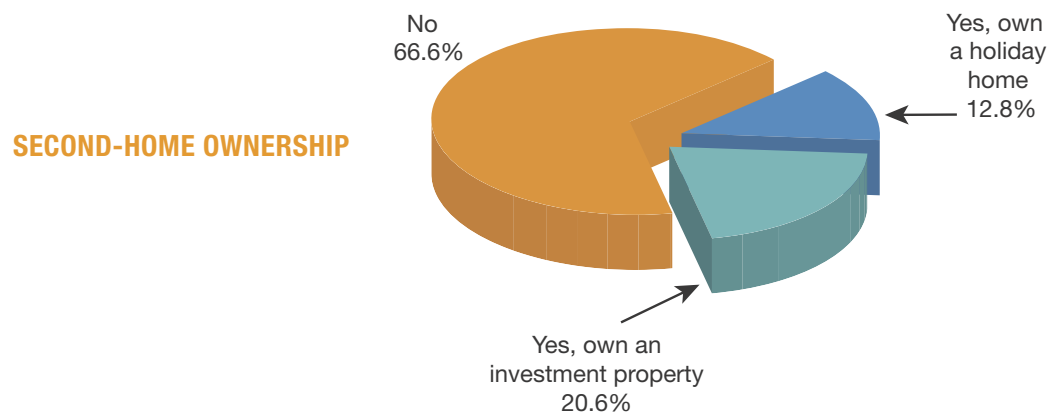
Income:

Interval International's UK members report an overall average household annual income of £63,650. About 57 per cent of members report total household income ranging from £30,000 to £89,999. Approximately one in four UK members report income of £29,999 or less, and nearly one in five report household income of £90,000 or more.



Real Estate Ownership:

Approximately 33 per cent of Interval International UK members own a second home — 12.8 per cent for holidays and 20.6 per cent for investment purposes.



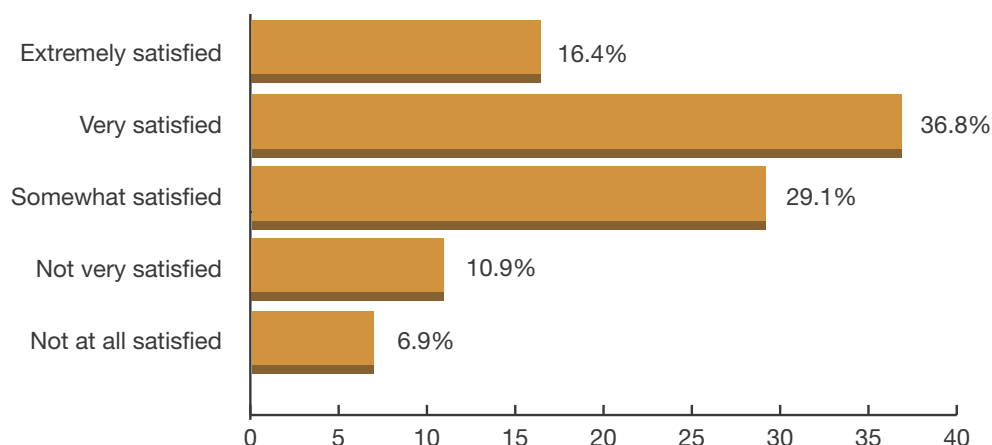


Timeshare Ownership and Satisfaction

Satisfaction:

Interval International's UK members report high levels of satisfaction with their timeshare resort ownership. Approximately 82 per cent of members report that they are satisfied, and more than half (53.2 per cent) report that they are either "extremely" or "very" satisfied with their timeshare resort ownership. The following table illustrates the UK membership satisfaction levels.

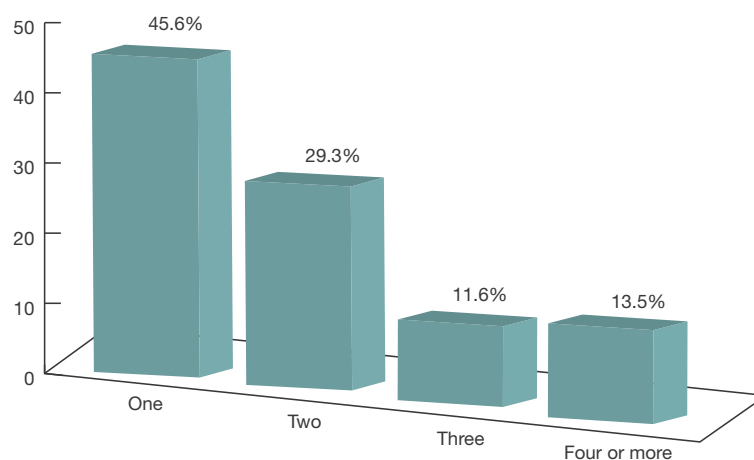
SATISFACTION WITH TIMESHARE RESORT OWNERSHIP



Vacation Weeks Owned:

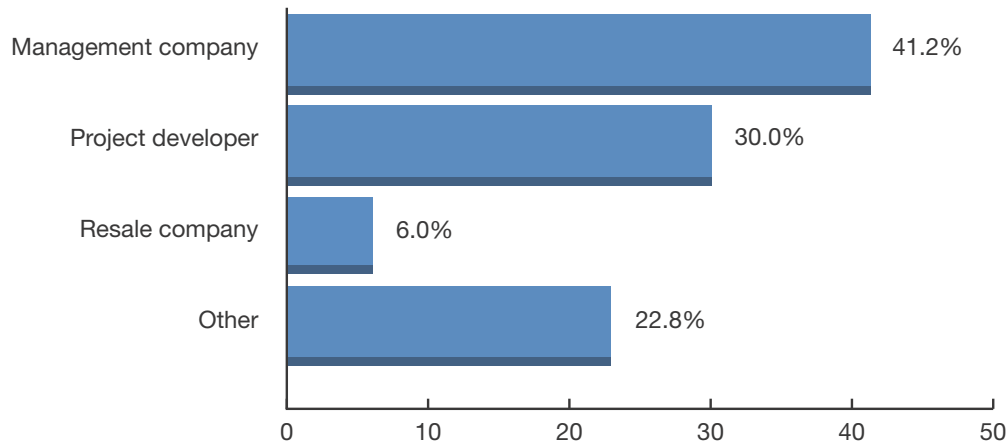
More than half (54.4 per cent) of Interval International's UK members own more than one week (or one-week equivalent). This high percentage of multiple-week ownership is additional evidence of the generally high level of satisfaction amongst timeshare resort owners.

NUMBER OF TIMESHARE WEEKS OR THEIR EQUIVALENTS OWNED



Almost three out of four (71.2 per cent) of Interval International's UK members acquired their vacation weeks from resort project developers or management companies. Third-party resale companies accounted for only 6 per cent of acquisition sources.

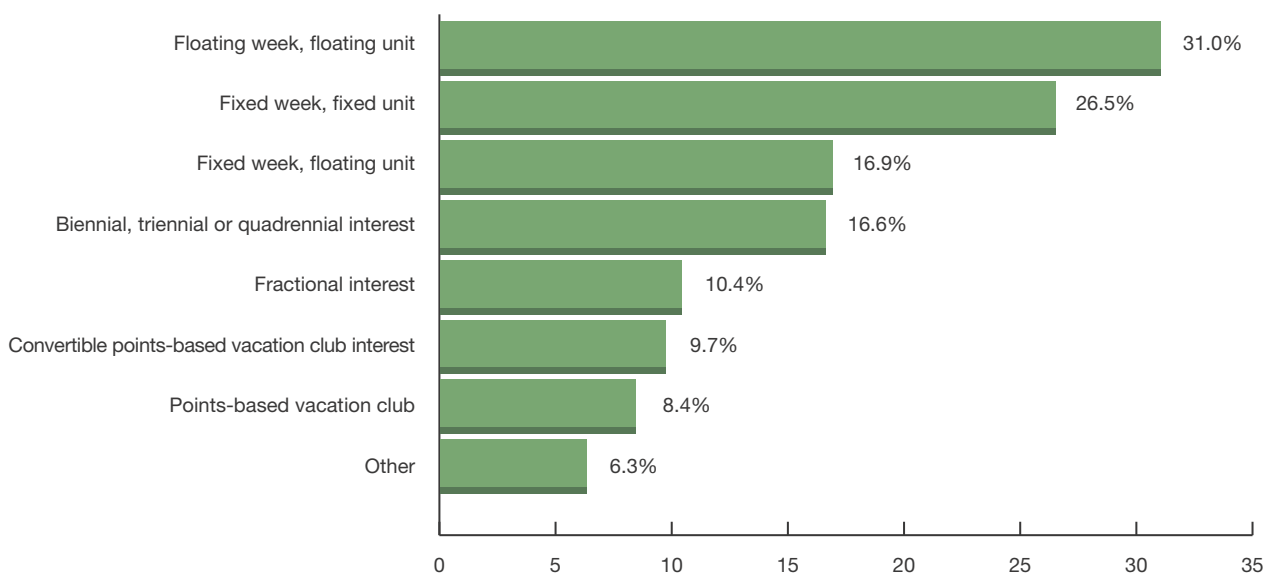
ACQUISITION SOURCES UTILISED TO ACQUIRE TIMESHARE OWNERSHIP



Use Plans:

The vacation ownership industry features a wide range of use plans and ownership interests. About 75 per cent of respondents own intervals of the traditional weekly variety (floating season or fixed weeks), approximately one in five own some form of a points-based product and roughly 17 per cent of respondents own biennial, triennial or quadrennial interests.

DISTRIBUTION OF USE PLANS*



*Multiple responses permitted

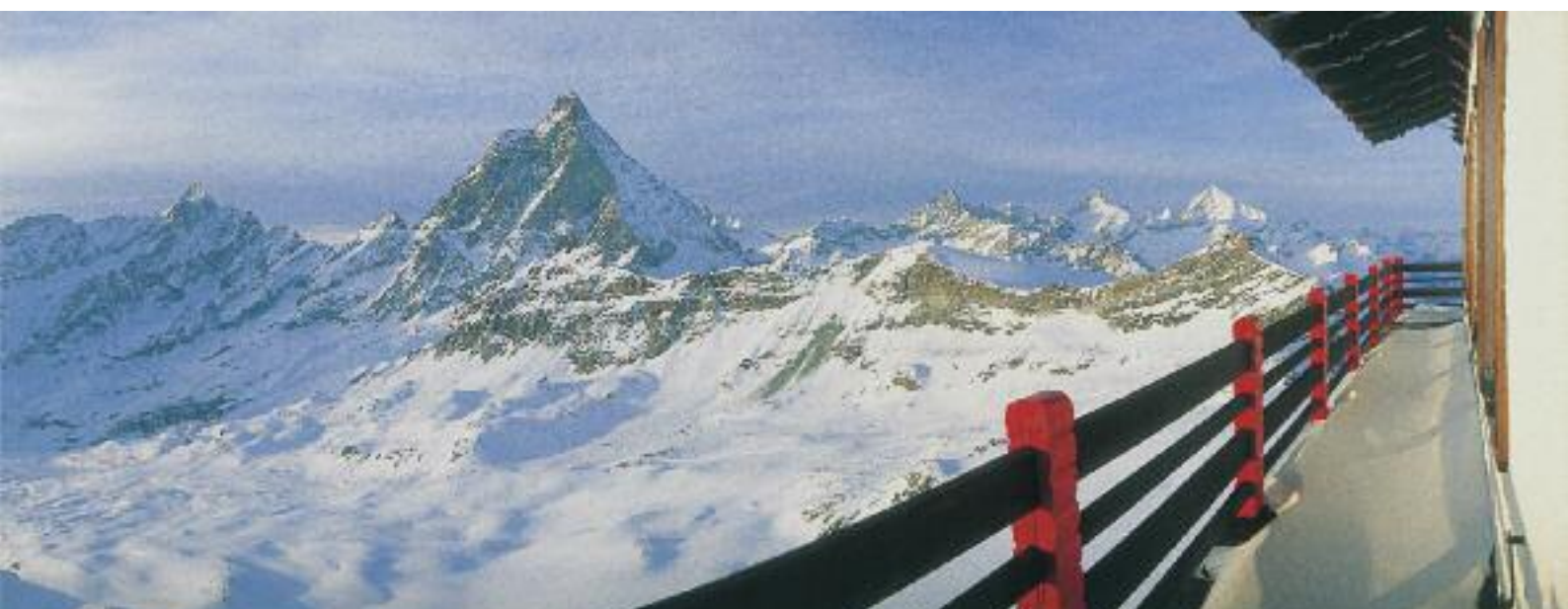
Future Timeshare Purchase Interest

Interest in Timeshare Purchase:

Interval International's UK members were asked, "How likely are you to purchase additional holiday time in the future?" The table below shows that more than 85 per cent of members are not likely to purchase additional holiday time in the future. Given the high levels of satisfaction with their timeshare ownership, the inference from this data is that the current average number of timeshare weeks owned is adequately serving the needs of the survey respondents.

INTEREST IN HOLIDAY TIMESHARE PURCHASE

Likelihood of Purchasing Additional Holiday Time (Percentages)	
Extremely likely	1.1
Very likely	2.5
Somewhat likely	9.7
Not very likely	34.0
Not at all likely	52.7

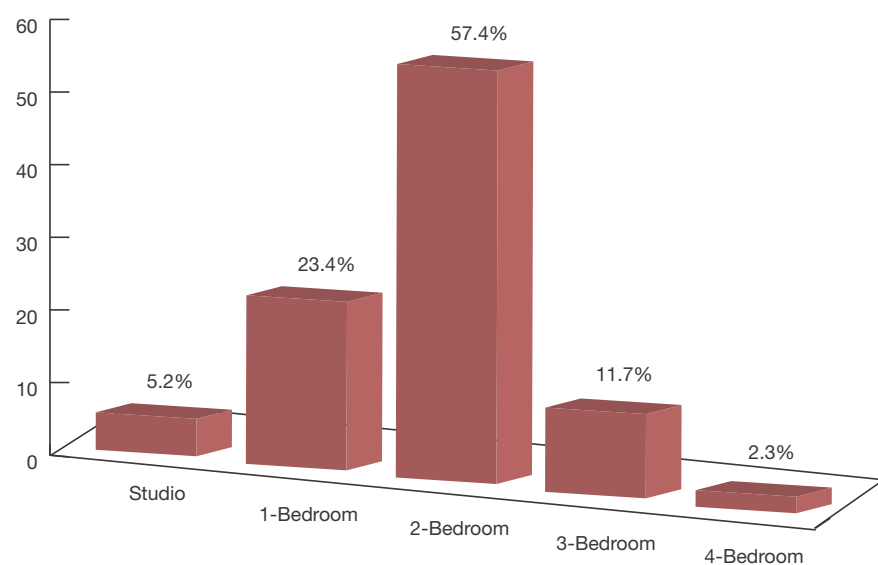




Unit Type:

Interval International's UK members were asked, "If you were to purchase additional holiday time, what would be your preferred unit size?" As indicated in the following chart, more than half of the respondents (57.4 per cent) indicated a preference for purchasing a two-bedroom unit. One-bedroom units are the second-most preferred unit size, as reported by approximately 23 per cent of respondents. Three-bedroom units, studios and four-bedroom units are preferred by 11.7 per cent, 5.2 per cent and 2.3 per cent, respectively, by Interval International's UK members.

PREFERRED UNIT SIZE

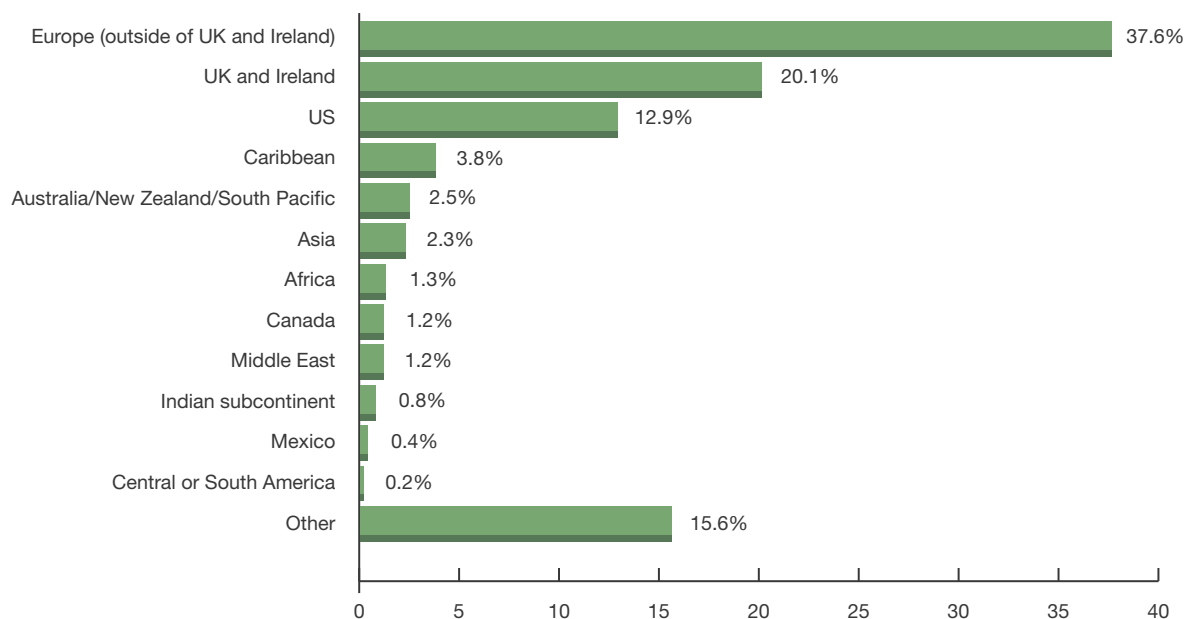




Most Popular Countries and Regions for Future Timeshare Purchase:

Interval International's UK members were asked, "Where would you be most interested in purchasing timeshare?" Approximately one in three respondents (37.6 per cent) indicated that they would be most interested in purchasing timeshare in Europe outside of the UK and Ireland. The next-most desired countries in which to purchase timeshare are the UK and Ireland at 20.1 per cent combined. The US follows in popularity at 12.9 per cent. The countries and regions of interest for future timeshare purchase by Interval International's UK members are illustrated in the following table.

COUNTRIES AND REGIONS OF INTEREST FOR FUTURE TIMESHARE PURCHASE



Factors That Influence the 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 THE TIMESHARE PURCHASE DECISION

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



Travel Habits and Preferences

Interval International's UK members are avid travellers who seek out 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 UK members averaged approximately 28 leisure nights away from home. About 48 per cent of the total annual leisure nights consisted of domestic travel (13.3 nights), with international travel comprising the remaining 52 per cent (14.4 nights). The average length of stay was 4.5 and 8.5 nights for domestic and international travel, respectively.

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

Domestic Leisure Travel	
Average number of leisure nights (past 12 months)	13.3
Average length of stay	4.5
International Leisure Travel	
Average number of leisure nights (past 12 months)	14.4
Average length of stay	8.5

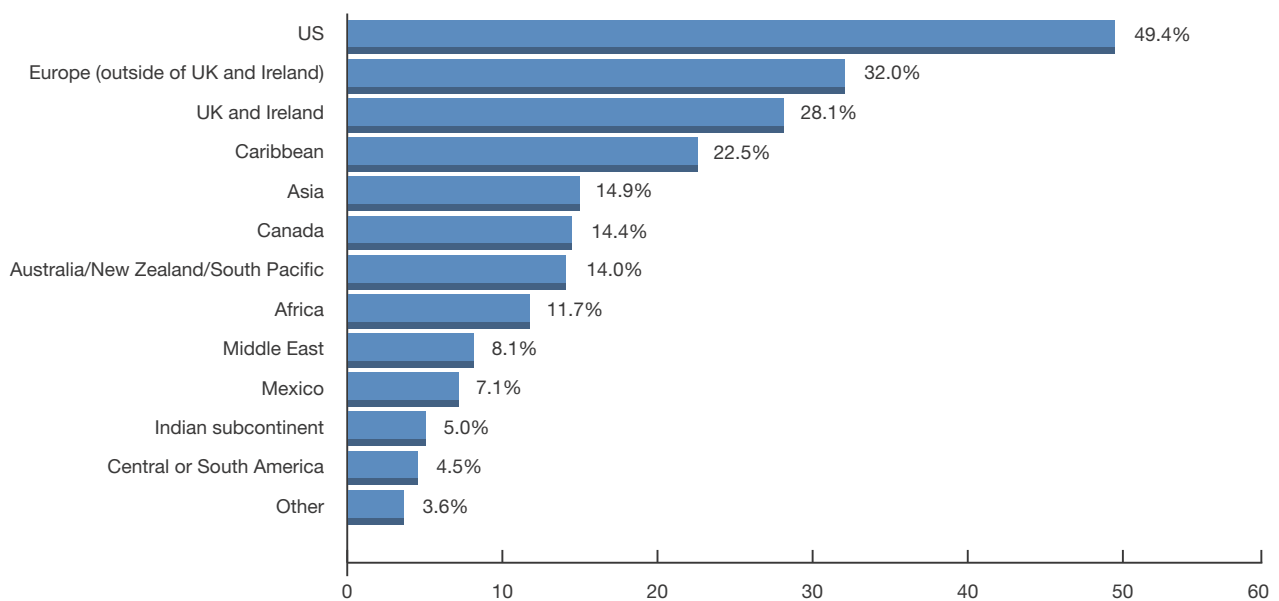




Preferred Destinations:

As previously illustrated, Interval International's UK members demonstrate a strong interest in leisure travel. The following table illustrates the areas to which members plan to travel within the next two years. Almost half of the respondents intend to travel to the US during the next two years.

PREFERRED DESTINATIONS FOR TRAVEL IN THE NEXT TWO YEARS*

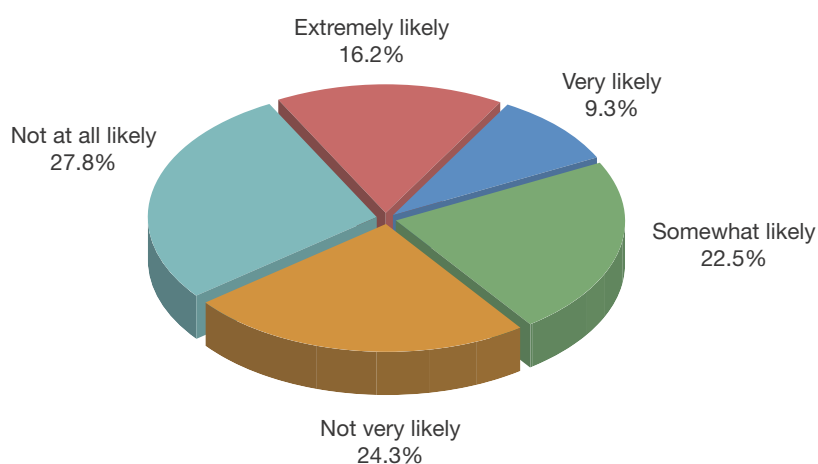


*Multiple responses permitted

Alternative Holiday Interests

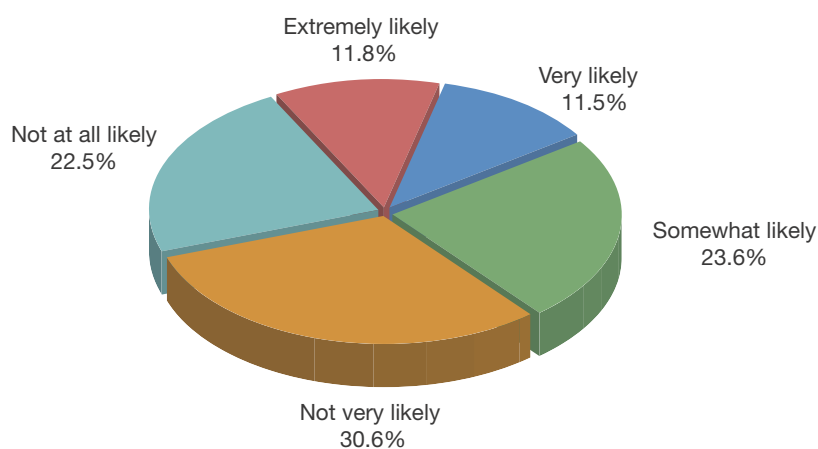
Beyond traditional timeshare, other holiday interests noted by Interval members include cruises and all-inclusive holidays. As such, almost half (48 per cent) of the UK members surveyed expressed some positive level of interest in taking a cruise during the next two years.

INTEREST IN TAKING A CRUISE IN THE NEXT TWO YEARS



Interval International's UK members also exhibit strong 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). In fact, almost half (46.9 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 IN THE NEXT TWO YEARS





Interval International's UK 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 and golf, as illustrated in the following table.

PREFERRED HOLIDAY ACTIVITIES*

Shopping	70.2%
Swimming	42.9%
Sightseeing	30.9%
Spa services	21.6%
Working out/exercise	19.6%
Snow skiing/snow boarding	19.5%
Attending plays/concerts/public performances	19.5%
Golfing	18.9%
Biking/cycling	18.3%
Watching movies	18.2%
Snorkelling	18.0%
Hiking	17.4%
Sailing/boating	17.3%
Tennis	17.2%
Scuba diving	14.2%
Fishing	13.8%
Water skiing	13.2%
Hunting	13.0%
Other	11.1%
Horse riding	8.8%
Canoeing/kayaking	6.1%
Gaming	3.7%

*Multiple responses permitted



Methodology and Response Rate



Interval International conducted an online survey of its UK 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 UK-resident members via email. The fielding period was June 2013.

The Shared Ownership Services division of HVS, the world's premier hotel consulting and valuation firm, analysed the data from the survey and produced this profile. A total of 1,527 respondents completed the survey. Accordingly, it is estimated that the overall sampling error associated with this study is ± 2 per cent at a 95 per cent 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 (ie, under 10 = 5); for the top range, the lower limit of the range was used (ie, 50 or more = 50).

"No answers" and partial-response data to survey questions were excluded from the base used for calculating percentages. Responses labelled "Europe (outside of UK and Ireland)" on the preceding pages were listed as "Rest of Europe" on the survey.



IntervalWorld.com



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