

January 2010

Timeshare Owner Preferences - An Analysis of Program and Service Relationships during Recessionary Times

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Recommended Citation

Upchurch, Randall S. Ph.D; DiPietro, Robin B.; and McLeod, Brumby (2010) "Timeshare Owner Preferences - An Analysis of Program and Service Relationships during Recessionary Times," *Hospitality Review*: Vol. 28 : Iss. 2 , Article 1.

Available at: <https://digitalcommons.fiu.edu/hospitalityreview/vol28/iss2/1>

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Abstract

Since the 1970s various industry studies have indicated that the vacation ownership industry has enjoyed unprecedented growth in unit sales, resort growth, and the number of owners (American Resort Development Association [ARDA], 2007; ARDA, 2009a; ARDA, 2009b). However, due to the recent economic downturn these growth metrics are no longer obtainable. This external impact has caused developers to retrench and therefore reflect upon their existing product and service offerings, financial metrics, and consumer markets (ARDA, 2010a; ARDA 2010b). The crux of these findings indicates that the industry has shifted to maintaining and enhancing product and service offerings as a reaction to changing economic conditions. The findings reported in the body of this manuscript represent product and service preferences as collected from a random data pull of their existing ownership base. The study also revealed current preferences of timeshare owners with relation to services provided and products/amenities offered. Management implications and limitations of the current study are discussed.

Keywords

timeshare industry, vacation club ownership, service relationships, product features, satisfaction

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By Randall S. Upchurch, Robin B. DiPietro, and Brumby McLeod

Since the 1970s various industry studies have indicated that the vacation ownership industry has enjoyed unprecedented growth in unit sales, resort growth, and the number of owners (American Resort Development Association [ARDA], 2007; ARDA, 2009a; ARDA, 2009b). However, due to the recent economic downturn these growth metrics are no longer obtainable. This external impact has caused developers to retrench and therefore reflect upon their existing product and service offerings, financial metrics, and consumer markets (ARDA, 2010a; ARDA 2010b). The crux of these findings indicates that the industry has shifted to maintaining and enhancing product and service offerings as a reaction to changing economic conditions. The findings reported in the body of this manuscript represent product and service preferences as collected from a random data pull of their existing ownership base. The study also revealed current preferences of timeshare owners with relation to services provided and products/amenities offered. Management implications and limitations of the current study are discussed.

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INTRODUCTION

Vacation ownership, often referred to as timesharing, continues to be a growing piece of the lodging industry in the United States and worldwide. Vacation ownership is one of the fastest-growing lodging sectors (Upchurch & Gruber, 2002; ARDA, 2009b). Started in the late 1960s and having grown more than 1000% during the last two decades, it continues to be a large segment of the travel and tourism industry (Kaufman, Severt, & Upchurch, 2005; Kaufman, Upchurch, & Severt, 2006). As of 2006, annual sales reached approximately \$10 billion in the U.S. (ARDA, 2007), and the total estimated U.S. economic impact of the timeshare industry through direct and indirect contributions was approximately \$77 billion (ARDA, 2009b). Since 1984 the industry has reported growth rates ranging from 14% to 17% annually. In the last few decades, branded timeshares such as Disney and Marriott International have added more credibility to the industry and have become recognized leaders. The branded vacation ownership organizations' presence has opened up the industry to a wider range of users and owners.

As of 2002 six million American households owned timeshares (Upchurch, 2002) and an estimated additional 250,000 U.S. households purchase vacation ownerships each year (Woods, 2001). Many economic recession studies have profiled the average timeshare owner. One study finds the average timeshare owner to be older, making purchases after he/she is retired or his/her career has been fully established. More than half of timeshare owners (58.6%) are between the ages of 45 and 64. Almost 25% of timeshare owners are over 60 years old (Ragatz & Associates, 2003). Another study showed that 89.3% of timeshare owners are couples in their peak earning years, with an average household income of \$123,000 and no children at home (Upchurch, Rompf & Severt, 2006).

Timeshare developers, similar to other real estate developers, enjoyed unprecedented growth during the late 1990s and early 2000s, yet these growth rates are unlikely to continue as real estate markets have slowed dramatically, making retention and satisfaction of existing owners a necessary component in future resort development. In particular, these early benchmark studies measured satisfaction with (1) overall ownership, (2) product flexibility, (3) financial services affiliated with the timeshare product, (4) club resort and amenities, (5) owner communication, (6) the vacation experience, and (7) the sales experience. Attention to these elements of owner satisfaction requires frequent assessment of these metrics to ensure continued market penetration.

Again, in light of the current economic recession, it is imperative to reflect upon potential changes in consumer acceptance and usage patterns. With this economic premise in mind, the vacation ownership segment of the lodging industry lacks sufficient empirical research in the area of owner satisfaction regarding the importance of various product and service characteristics related to the owner's perception of the performance of the timeshare organization. Therefore, the current study proposes to help close that gap in the academic research by providing survey results from a study of a large timeshare organization and its owners. This information will help to determine the state of owner satisfaction in an industry often plagued by misperception and stereotypes surrounding credibility (Kaufman, Severt, & Upchurch, 2005). In order to ascertain the viability and sustained growth of this important segment of the lodging industry, it is critical to ensure that owners are satisfied with the overall service and products provided by their resort company. The current study proposes to analyze the importance-performance gaps that may exist regarding the service attributes and resort product features of a timeshare organization.

LITERATURE REVIEW

Overall Ownership Satisfaction

In an economic downturn of current proportions, it is critical for timeshare organizations to continue to evolve and evaluate their owners' satisfaction and other success indicators (ARDA 2010a; ARDA 2010b). When the economy slows down, people start reevaluating their purchases and try to determine which bills are essential and which are non-essential. Owning a timeshare is not a necessity for most consumers; rather, it is a luxury that can be sold. It is a critical assumption that retaining current owners is critical for the continuance of a brand. Retention of owners ensures that a brand can survive and possibly grow as the economic market improves.

A 2007 study of three focus groups composed of sixteen timeshare owners was conducted in an attempt to discover how consumers derive and interpret value from vacations and timeshares. Twelve factors were identified through the interviews. The following are the five dimensions that were found to add value to *any* vacation experience: convenience (the location of and access to a specific resort/timeshare/hotel); location (a resort's position in regard to a destination's attractions); the opportunity to relax; social value (opportunity to spend time with family/ friends or social activities with other vacationers/timeshare owners); and fun and enjoyment value (vacation activities, activities provided by the timeshare resort, or facilities and services at the resort). The remaining seven dimensions relate specifically to vacation ownership/timeshares. These dimensions were ownership pride, financial value by purchasing property in comparison to multiple hotel/resort purchases, flexibility in purposes for use (visiting family, vacation, hosting others), the ability to give a timeshare as a gift, the feeling of owning a luxury product, and the exchange opportunity (Sparks, Butcher & Pan, 2007). These general dimensions were found to have an influence on the overall satisfaction with a timeshare product.

According to research done by the American Resort Development Association (ARDA, 2009a), overall timeshare owners are satisfied with the timeshare products they purchased. Approximately 85% of owners would rate their experience as "excellent," "very good," or "good." Approximately 64% of owners would recommend timeshare ownership to their family and friends. The findings were consistent regardless of ownership tenure (ARDA, 2009a).

In McMaster's (2001) study of timeshare-owner enjoyment, the findings showed that the owner-services division provides an integral function that is directly related to owner satisfaction. Three out of the top four amenities that lead to member satisfaction are directly related to the quality and function of customer-service agents who work with the timeshare organization. The top four amenities that were identified by timeshare owners were warm and friendly staff attitudes, on-site recreation areas clean and in good repairs, staff able to solve problems quickly, and staff knows area and can help find places of interest.

Kaufman, Severt and Upchurch (2005) found that the more timeshare organizations spend to inform and educate their owners on the various components and amenities offered by the organization, the higher the owners' satisfaction levels. This means that communication about the timeshare property and system is critical for owner satisfaction.

By identifying vacation habits and preferences, resorts are more knowledgeable about what their owners enjoy. Current popular locations for recent timeshare purchases have varied between the West (27.1%), the Southeast (41%), and international locations (11%). Over 80% of recent purchasers and current owners stated that the exchange opportunity was a significant motivating factor in their purchasing decision (Crotts & Ragatz, 2002; Ragatz & Crotts, 2000).

Study after study shows that in most instances timeshare owners are satisfied with their purchases and, using hindsight, would even repurchase again if faced with that choice (Haylock, 2004). Even in the U.K., the second biggest timeshare market, Ernst & Young established that in 1990, 75% of owners were satisfied or very satisfied with their purchases. Over eleven years and six countries worldwide, Ernst & Young and Ragatz Associates have found an average of 84% of timeshare owners "very satisfied" or "satisfied" with their purchases (Haylock, 2004). The implication of this research is that timeshare organizations have done a very good job of satisfying their owners. To ensure that this continues, especially as consumers become more discerning about where and how they spend their income, it will be necessary for timeshare developers to determine what resort products and services their guests desire.

Satisfaction with Product Flexibility

The timeshare-ownership industry is very robust and diverse in its offerings to consumers. Many different products and services are offered by timeshare organizations, including the quality of

accommodations, the locations of accommodations, point values and opportunities for the use and conversion of the points to upgrade locations and times of usage, the options for renting out units, and exchanging units for another resort within the vacation club network. A study done by Upchurch (2002) showed that owners were aware of the service/product flexibility, were satisfied with these options, and planned to use them over and over again.

Satisfaction with the Consumer Financial Services

The vacation-ownership product usually requires financing. In fact, many timeshare developers make more money in financing properties than on the actual sale of the units. In a study of timeshare value perception by Sparks, Butcher, and Pan (2007), the perceived financial value of the timeshare purchase detracted from the overall purchase experience. The owners interviewed in this study stated that the resale of the timeshare and the cost of maintaining it provided little to no value. Hovey (2002) proposed that if the timeshare industry could reduce some of the costs of sales, maintenance, and exit, the industry and product would be more attractive to people. Lowering maintenance costs lowers the cost of entry into the business; it could increase the overall market, and possibly increase owners' satisfaction.

Satisfaction with the Club/Resort Amenities

Amenities are the features that a club, resort, or hotel offer. In effect, often the amenities define a resort, and the selections offered are often a competitive advantage that can set one's brand apart from the competition (Kandampully, Mok, & Sparks, 2001). In the timeshare industry, providing additional amenities is a necessary cost of doing business, but because these upkeep costs often directly relate to the ensuing annual maintenance fees paid by timeshare owners, it is critical to ensure that the increased amenities are something desired by the owners (Stringam, 2008). The majority of timeshare studies have focused on consumer behavior related to the sales process or specific consumer preferences (Crotts & Ragatz, 2002; Kaufman & Upchurch, 2007; Sparks et al., 2007; Stringam, 2008; Upchurch, 2000; Upchurch et al., 2006).

Kaufman and Upchurch (2007) surveyed couples, single women, and single men. The researchers found that when purchasing a timeshare, couples place importance on a timeshare developer who is associated with a brand name. They also found that single women were most likely to be satisfied with exchange company services, but were also the most comfortable with their home-resort purchase and resultant experience.

Additionally, they found that men were the least satisfied with their overall timeshare purchase and experience (Kaufman & Upchurch, 2007).

Another study segmented owners by lifestyle. Twelve lifestyle groupings were found: (1) affluent empty nesters, (2) affluent couples with kids, (3) affluent professional and childless couples, (4) upcoming couples/hyperactive newlyweds, (5) teen-dominated families, (6) mature couples, (7) savvy career women, (8) upscale mature women (almost retired/retired), (9) educated working women, (10) single moms with careers, (11) well-to-do gentlemen, and (12) single dads. The only significant differences in satisfaction levels were those between affluent empty nesters, well-to-do gentlemen, and single fathers. The researchers suggested that single men may feel like outlier consumers because they account for such a small portion of timeshare owners (4%); therefore, their needs are not being met (Upchurch, Rompf, & Severt, 2006). A third study addressing segmentation focused on the senior market. Seniors (over 55 years) should be independently targeted because they can comprise a significant number of timeshare owners. Seniors spent more nights (average of 19 nights) away from home and 1.5 times more money on leisure travel than the under-35 age group. It was also found that they are more likely to use their home resort or save points in exchange for hotel stays or cruises. These timeshare consumers also sought these characteristics from their timeshare resort locations: safety, security, and historical/educational attractions (Kaufman, Upchurch & Severt, 2006).

Several studies have been conducted on the vacation habits and amenity preferences of timeshare owners. One such study compared the amenity offerings of vacation ownership resorts to hotels (Stringam, 2008). Timeshare resorts in North and South Carolina were compared to all hotels across the nation to identify amenity trends and competition. Findings suggested that hotels were much more likely than timeshare resorts to provide a gym and business amenities. Hotels were also ahead of timeshares in upgrading their bedding; this is a trend timeshares plan to follow within the next two years. Benefits that were more popular among timeshares in comparison to hotels included staffed health spas, organized social activities, and children's activities and playgrounds (Stringam, 2008).

Sparks, Butcher, and Pan (2007) evaluated the perceived value of a timeshare purchase. In general, customer value was typically considered to be an antecedent of customer satisfaction. Their study found that ownership and pride, flexibility, new experience, reward, and luxury were some of the components of owning a timeshare that provided value for

them, thus increasing their satisfaction with the product. This study provided a new focus that organizations could use when marketing to prospective timeshare owners, as well as a way to promote the value and enhance the overall satisfaction of the owners.

Importance-Performance Gap Research

Organizations should continually evaluate their service performance using guest perceptions to assess gaps between importance and performance. Guests often go into a relationship with preconceived notions of service attributes. If the perceived performance of the organization does not match the perceived level of importance that the guest places on the attribute, there is a service gap. This gap can cause dissatisfaction for the guest. Therefore, an organization needs to identify such service gaps to minimize their occurrence and to diligently resolve those that do occur.

Customer satisfaction occurs when the customer's expectation of the service provided matches his/her perception of the actual service received (Sasser, Olsen, & Wyckoff, 1978; Groonroos, 1978; Parasuraman, Zeithaml, & Berry, 1985). Customers judge the services provided or the product delivered to them by making a very subjective value judgment that many times does not reflect reality. The current competitive market conditions within the service industry have caused organizations to shift their focus to customer satisfaction because long-term satisfaction is believed to lead to profitability. Better services will assure customer satisfaction. Ensuring that the customers' priorities become the priorities of the organization will also help with customer satisfaction. The general belief is that satisfied consumers will stay loyal and will, in return, ensure positive word of mouth, referrals to other people, and overall increased revenues (Munusamy & Fong, 2008).

Purpose of Research

The purpose of this study was to assess the influence of timeshare program offerings and owner service offerings upon owner (i.e., member) satisfaction with the timeshare resort unit purchase within the context of the current economic recession. The purpose of this study was twofold: first, to analyze the way in which the owners use their timeshare ownership via developer-provided program offerings and member services; and second, to determine the degree to which these timeshare program offerings and member services interact to influence owner-satisfaction indices.

STUDY METHODOLOGY AND SURVEY ELEMENTS

In an effort to gauge member preferences for resort program offerings and owner services, the researchers collaborated with the timeshare resort developer's executive team. The developer's team consisted of executives from the developer's functional divisions of marketing, sales, owner services, and resort operations. The resort team provided input concerning the type of product, service, and satisfaction indicators, while the university team provided input on questionnaire construction, sampling procedures, and statistical manipulation of the data. This process yielded survey items that captured member satisfaction with program and owner services, program-usage characteristics, service-usage patterns, and resort-reservation patterns that pertained specifically to that year's product and service offerings (Figure 1).

Figure 1
Developer Program Offerings, Owner Service
Characteristics, and Satisfaction Indices

| <u>Program Offerings</u> | <u>Service Characteristics</u> | <u>Satisfaction Indices</u> |
|--|---|--|
| vacation stay at original resort of purchase | professionalism of the service agent | how satisfied are you with your membership |
| vacation stay at another developer resort collection | service agent knowledge of benefit programs | how satisfied were you with your most recent resort experience |
| external exchange option | ease in contacting owner service department | how satisfied is your family with their membership |
| convert points to other member options | clarity of owner service information | |
| banked or borrowed time | reservation request satisfaction | |
| used a weekend getaway package | agent's knowledge of resort collection | |
| take a cruise line option | | |
| stayed at a hotel affiliate | | |
| Scale 1=high preference to 3=low preference | Scale – 1=strongly agree to 5=strongly disagree | Scale – 1=Very satisfied to 5=very dissatisfied |

Relative to the purpose of this study, the executive team sought to gather feedback from one of the developer's newest resort locations. This resort, which was located in the Southeastern United States, had, at the time of survey administration, 3,011 members, who had used their resort benefits within the same year. All 3,011 members were mailed a print survey with the understanding that only one survey be completed per household. Each survey was tracked by means of a unique

membership identification number that was assigned to the member at the point of sale. The members were told to return their completed survey within two to four weeks of receipt. This process yielded a response rate of 2,604 out of 3,011 usable surveys, for a percentage of 86.5%. It should be noted that the developer offered an incentive for participating in the study, which ranged from a free weekend vacation to an additional week stay at one of the developer's resort locations. The widely accepted social science cut-off is that alpha should be .70 or higher for a set of items to be considered a scale, but some use .75 or .80, while others are as lenient as .60 (Cortina, 1993).

The key components of the survey consisted of three satisfaction items, eight program-usage characteristics, six service characteristics, and three reservation-usage characteristics. The satisfaction indicators were: How satisfied are you with your membership? How satisfied were you with your most recent resort experience? How satisfied is your family with this membership? The eight program characteristics were to what degree have you utilized the following options: a vacation stay at original resort of purchase, vacation stay at another developer resort collection, exchange option, converted points to other member options, banked or borrowed time, used a weekend getaway package, took a cruise line option, and stayed at a hotel affiliate. The service-usage characteristics concerned the degree to which the member was satisfied with the developer's owner service offerings. These included professionalism of the service agent, knowledge of benefit programs, ease in contacting owner services, clarity of owner service information, reservation request satisfaction, and knowledge of resort collection (Figure 1). The remaining part of the survey concerned the reservation order of preference concerning the member's resort stay. The options were location, date of stay, and type of unit.

RESEARCH QUESTIONS

As noted previously, the developer was interested in determining the impact of product, service, and reservation patterns upon the three chosen indicators of service and satisfaction. The stepwise regression statistical analysis in conjunction with the Varimax rotation procedure was used to answer those questions via the design of the following research questions.

R₁: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of "overall, how satisfied are you with your membership?"

R₂: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of “how satisfied are you with your most recent resort experience?”

R₃: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of “how satisfied is your family with your membership?”

STUDY FINDINGS

Descriptive Analysis

In terms of statistical mean preference when layered in rank order from highest to lowest, this group of resort members preferred to use their originally purchased timeshare interval at their designated timeshare resort followed by use of their points for a stay at one of the developer’s other resort locations; to use an external exchange at a resort property outside of the developer’s internal resort collection; to allocate their purchase points to the current or upcoming year for a longer stay or a bigger unit; to spend a weekend at one of the developer’s hotel affiliates; to accept one of the developer’s timeshare weekend getaway promotional packages; and lastly, to take advantage of a cruise-line excursion package, as offered through the timeshare developer. Clearly this usage profile represents a diversity of ways in which the timeshare purchaser can use the timeshare purchase in a way that accommodates individual vacation needs.

It should also be understood that the timeshare owner must use the developer’s owner services division to make use of the annual allotment of points. This equates to a form of inventory management whereby the owner is required to prioritize reservation preferences in terms of choice of resort, vacation date, and size of unit. When asked about their order of preference, from highest to lowest, this group of respondents rated them as vacation date, resort location, and size of sleeping unit.

These owner service agents serve as the primary interface between the company and their over 100,000 members. Therefore, it is important for this timeshare developer to assess satisfaction with the services offered by this division Table 1 indicates that the members rate the owner services division very highly on all six service characteristics.

Lastly, this timeshare developer leveraged an annual member-satisfaction survey for a little over a decade in an effort to benchmark how the company was performing in the areas of sales, marketing, and operations. The overall average for the primary indices that specifically relate to the quality of service provided by this developer was very high on all three indicators (Table 1 – membership satisfaction indices).

Table 1
Mean ratings

| <u>Program Offerings</u> | Mean | s.d. | <u>Service Characteristics</u> | Mean | s.d. |
|--|------|------|--|------|------|
| vacation stay at original resort of purchase | 2.17 | 0.66 | professionalism of the service agent | 1.44 | 0.61 |
| vacation stay at another developer resort collection | 2.19 | 0.57 | service agent knowledge of benefit programs | 1.66 | 0.83 |
| external exchange option | 2.22 | 0.68 | ease in contacting owner service department | 1.84 | 0.95 |
| convert points to other member options | 2.52 | 0.50 | clarity of owner service information | 1.84 | 0.90 |
| banked or borrowed time | 2.30 | 0.45 | reservation request satisfaction | 2.00 | 1.13 |
| used a weekend getaway package | 2.68 | 0.53 | agent's knowledge of resort collection | | |
| take a cruise line option | 2.90 | 0.39 | | | |
| stayed at a hotel affiliate | 2.63 | 0.48 | | | |
| Scale 1=highest preference to 3=lowest preference | | | Scale – 1=strongly agree to 5=strongly disagree | | |
| | | | | | |
| <u>Reservation Preference</u> | Mean | s.d. | <u>Membership Satisfaction Indices</u> | Mean | s.d. |
| Resort location | 1.53 | 0.97 | how satisfied are you with your membership | 1.94 | 1.02 |
| Vacation date | 1.45 | 0.91 | how satisfied were you with your most recent resort experience | 1.98 | 1.09 |
| Unit size | 1.63 | 0.99 | how satisfied is your family with their membership | 2.03 | 1.04 |
| Scale 1 =high to 4=low preference | | | Scale – 1 =Very satisfied to 5=very dissatisfied | | |

Regression Analysis

R₁: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance in the dependent variable of “overall, how satisfied are you with your membership?”

In agreement with Sasser et al. (1978), Groomross (1978) and Parasuraman et al. (1985), the actual service received by the customer is integral to the perceived rating of satisfaction. This is supported by the finding that the “clarity of the information provided by the service agent” and the “ease of contacting the developer’s owner service division” significantly contributed to the total model variance. It should be noted that the other remaining owner-service item contributed to this model, as well; however, the lingering variable of the “service agent is knowledgeable of other marketing programs offered by the developer” was not of significant impact upon this dependent variable.

Overall, this fourteen-item model accounted for .519 of total variance in predicting the members’ overall satisfaction with their membership. The implication is that owner services is rated very high, followed by the order of reservation preference (size of unit, vacation date, resort location), which was accentuated with the option of taking advantage of weekend getaway packages as exerting a higher degree of influence upon the respondents’ perception of overall membership satisfaction. Fourteen items factored into this model; five of the owner-services variables, six of the eight program options, and all three of the reservation preference options exerted a significant influence of less than .001 upon the dependent variable (Table 2a). There was no multicollinearity (VIF) found within this model.

Table 2a
Dimensions affecting satisfaction with overall membership

| Sample - Members | R ² Sig. | Dimensions | Beta | Adjusted Beta | Sig. | VIF |
|------------------|---------------------|--|-------|---------------|------|------|
| Best model (14) | .519 | Clarity of service agent information | .259 | .230 | .000 | 3.02 |
| | | Ease of contacting service agent | .386 | .359 | .000 | 1.53 |
| | | Use weekend getaway packages | -.441 | -.229 | .000 | 1.20 |
| | | Unit size during stay | .311 | .301 | .000 | 3.67 |
| | | Resort location | -.352 | -.313 | .000 | 4.04 |
| | | Vacation date | .192 | .183 | .000 | 2.17 |
| | | Convert points to hotel stay | .273 | .133 | .000 | 1.17 |
| | | Vacation at another developer resort | .231 | .129 | .000 | 1.29 |
| | | External exchange | -.128 | -.085 | .000 | 1.22 |
| | | Service agent professionalism | .142 | .085 | .000 | 2.17 |
| | | Service agent knowledgeable of resorts | -.080 | -.092 | .000 | 2.08 |
| | | Bank & borrow | -.179 | -.080 | .000 | 1.28 |
| | | Vacation at primary resort | -.087 | -.057 | .000 | 1.25 |
| | | Service agent satisfied my request | .076 | .084 | .001 | 3.30 |

R₂: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable “how satisfied are you with your most recent resort experience?”

In reference to Table 2b a fourteen-variable model explains .474 of the variance in the dependent variable “what is your overall satisfaction with your most recent vacation experience?” Once again, a combination of owner service factors, program offerings, and reservation preference composed the model. The similarity on this dependent variable is that once again the role of the owner service division plays a crucial role with perceived owner satisfaction. Hence, it appears that a high degree of importance is placed upon the service agent’s being knowledgeable about the developer’s resort collection, the ease of contacting the owner service division, along with this office’s ability to address their reservation preferences and vacation preferences. Therefore, for this dependent variable it is apparent that the proximity of the member’s upcoming vacation request requires the skills of the owner services agent. This also implies that the agent must be knowledgeable regarding specific program offerings and any other vacation options that the member might want to use during a planned vacation stay.

Overall, respondents indicated that all six of the owner service dimensions were important, with the service agent’s knowledge of the developers’ resort collection being the most influential. Five of the program offerings received higher preference in usage, with the exchange option being the most significant. All three of the reservation preferences were important, with the order of influence being unit size, vacation date, and resort location. Finally, all three of the owner service agent dimensions were represented, and all three of the reservation preferences were present, yet only five of the available program offerings were present in this model. There was no evidence of multi-collinearity (VIF) present in this model.

Table 2b
Overall satisfaction with most recent vacation experience

| Sample - Members | R ² Sig. | Dimensions | Beta | Adjusted Beta | Sig. | VIF |
|------------------|---------------------|---|--------|---------------|------|------|
| Best model (14) | .474 | Service agent knowledgeable of resorts | .378 | .290 | .000 | 2.13 |
| | | Ease of contacting service agent | .467 | .293 | .000 | 1.47 |
| | | External exchange | .540 | .246 | .000 | 1.22 |
| | | Convert points to hotel stay | -.516 | -.169 | .000 | 1.51 |
| | | Service agent knowledge of developer programs | 1.029 | .558 | .000 | 6.74 |
| | | Service agent professionalism | -1.154 | -.469 | .000 | 4.95 |
| | | Exercise cruise option | -.581 | -.152 | .000 | 1.13 |
| | | Unit size during stay | .505 | .324 | .000 | 3.21 |
| | | Vacation date | -.488 | -.284 | .000 | 3.81 |
| | | Clarity of service agent information | -.379 | -.227 | .000 | 3.93 |
| | | Booked hotel stay with developer’s parent company | -.296 | -.093 | .000 | 1.45 |
| | | Resort location | .140 | .087 | .000 | 2.28 |
| | | Bank & borrow | -.196 | -.059 | .000 | 1.17 |
| | | Service agent satisfied my request | .146 | .110 | .000 | 3.54 |

R₃: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon dependent variable “how satisfied is your family with your membership?”

The purchase and use of the timeshare had a long-term positive impact on the family's quality of life. This indicator of long-range benefit yielded a ten-item model that attributed .574 of the model's influence upon the dependent variable of family impact.

For this group of respondents four of the six owner service items exerted a significant influence, while only four of the marketing programs indicated a relationship, and only two of the reservation preferences were noted to have an impact. Therefore, the importance of the developer's owner service agent is not surprising given the variety of marketing programs that owners could avail themselves of over their years of continued membership. From this longitudinal perspective it is interesting to note that marketing vacation programs at the primary resort, booking a hotel stay at the developer's parent company, converting timeshare points into a hotel stay with the developer's parent company, and using a mini-vacation with the timeshare developer—all of these exert a long-range impact upon the member's family. What this indicates is that the quality of the timeshare product, along with the flexibility of using membership benefits for regular hotel stays, is a very significant requisite for these members. Apparently, what these members expected in level of products and services are in alignment with what they experienced. Once again, there was no evidence of multi-collinearity (VIF) present in this model.

Table 2c
Membership impact upon family lives

| Sample - Members | R ² Sig. | Dimensions | Beta | Adjusted Beta | Sig. | VIF |
|------------------|---------------------|---|-------|---------------|------|------|
| Best model (10) | .574 | Ease of contacting service agent | .356 | .318 | .000 | 1.48 |
| | | Unit size during stay | .631 | .569 | .000 | 3.10 |
| | | Service agent professionalism | .231 | .133 | .000 | 2.03 |
| | | Vacation date | -.276 | -.221 | .000 | 2.95 |
| | | Service agent satisfied my request | .217 | .232 | .000 | 2.42 |
| | | Service agent knowledgeable of resorts | -.154 | -.172 | .000 | 1.91 |
| | | Vacationed at primary resort choice | .144 | .093 | .000 | 1.13 |
| | | Booked hotel stay with developer's parent company | -.335 | -.155 | .000 | 1.42 |
| | | Convert points to hotel stay | .249 | .119 | .000 | 1.41 |
| | | Use weekend getaway packages | -.134 | -.069 | .000 | 1.07 |

DISCUSSION OF RESULTS

This study reveals that, for the timeshare consumer, the role of owner services remains critical to consumer satisfaction whether it is viewed from a macro (overall satisfaction), immediate (satisfaction with most recent vacation), or long-range impact (family) perspective.

In reviewing Tables 2a, 2b, and 2c, it is apparent that the developers' Had both knees replaced various, attractive marketing-program offerings interact with their members' perceptions of overall satisfaction as well as their satisfaction with their most recent vacation. This observation does not discount the importance of the various marketing program offerings upon the perceived (and long-range) family impact. Hence, what these results indicate is that the timeshare consumer views certain service and marketing elements to be critical to their long-range, rather than personal, vacation needs. In reflecting upon Table 2c, this explains the very linear approach noted by these timeshare consumers concerning the long-range role that owner services plays in completing vacation requests. According to Table 2c, the critical nature of this request is exemplified by the member's being able to contact the owner service's office with relative ease, by the agent's professionalism during this interaction, by the agent's knowledge of the developer's resort collection, by the agent's adeptness in completing the tangible

components of the member's vacation request (size of unit, vacation date, allocation of points for a hotel stay, booking a hotel stay), and by the agent's proficiency in completing any kind of member request (e.g., to make use of a getaway package at a timeshare resort of choice). It is important to note that these timeshare owners reported that the ease of contacting the service agent, the professionalism of the service agent, and the knowledge of resorts exhibited by the service agent were important to sustained satisfaction and therefore loyalty to this brand. This assumption is based upon the Beta scores located in the upper portion of the model. This Beta profile offers strong support for the critical nature of maintaining a service focus during the current turbulent economic times.

CONCLUSION

The purpose of this study was to analyze the way in which timeshare owners use their ownership via developer-provided program offerings and member services, and to determine owner satisfaction related to those program offerings and services within the context of the current economic recession.

The study found that owner services for this particular organization were rated very high, followed by the order of reservation preference (size of unit, vacation date, resort location). This was accentuated with the option of taking advantage of weekend getaway packages as exerting a higher degree of influence upon the respondents' perceptions of overall membership satisfaction. This emphasizes what other research has found, namely that timeshare organizations need to have outstanding service providers in order to ensure owner satisfaction.

In relation to their most recent resort visit, these owners placed a high degree of importance on the service agent's knowledge of the developer's resort collection, on the ease of contacting the owner service division, and on that's office's ability to address their reservation preferences and vacation preferences. This finding again emphasizes the need for outstanding hiring and training practices to ensure that the service provided to owners will make them feel well taken care of at the timeshare operation.

The importance of the developer's owner service agent is not surprising given the variety of marketing programs that owners could possibly avail themselves of over their years of continued membership. What this finding indicates is that the quality of the timeshare product, along with the flexibility of using membership benefits for regular hotel stays, is a very significant requisite for these members. In the long term

it is critical that marketing programs continue to be developed with future owners' needs in mind in order to ensure that they continue to feel "value" for the timeshare purchase.

This study added to the literature regarding the preferences of timeshare owners with relation to services provided and products/amenities offered. If owners are to be retained, research must continue to be undertaken in the area of timeshare owner satisfaction. The gap must be closed between the importance of various attributes and the perceived performance of timeshare organizations regarding those attributes. As based on this study's satisfaction indicators, it appears that owner service and onsite resort services are able to keep consistent pace with owner expectations of product and service provisions. Future research into a variety of timeshare organizations can determine whether similar results are found in other settings and whether preferences of timeshare owners are unique to a particular brand or can be generalized across brands.

STUDY LIMITATIONS

This study was limited by the fact that it was a single-site study, albeit fairly large in sample size. The timeshare resort developer was affiliated with a branded hotel chain and had over a decade of history in the timeshare industry. Therefore, the marketing programs and customer services (owner services) reflected the parent company's service culture and history, implying that the results of this study cannot apply to other timeshare companies with less mature customer-service systems, policies, and procedures.

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