

Why the future of timeshare remains strong

One may ask, what does the future of travel look like? Reeling from an unprecedented global pandemic, the world and the travel industry have seemingly come to a screeching halt. So, the question remains: is travel gone for good? While post-covid travels will never be the same again, the resurgence of a membership-subscription economy is set to be the new face of travel – fueling hopes of a strong recovery, particularly for the timeshare industry.

In reality, membership models are nothing new or out-of-the-ordinary. The pivot towards a subscription economy has seen growing popularity and success from industries in streaming and e-Commerce platforms such as Spotify, Netflix, Amazon Prime to fitness memberships like Classpass, all of which have seen over thousands of subscribers worldwide. Classpass boosts monthly subscription plans where consumers pay for credits that can be used to book a variety of fitness and wellness sessions spanning hundreds of studios and boutiques, a model very similar to timeshare ownerships. Travel subscription memberships such as RCI's Weeks and Points subscriptions have been around for over 45 years and garnered over 3.7 million members.

Research conducted by Subscribed Institute showed that subscription businesses have grown nearly 6x faster than the S&P 500 over the last 9 years, seeing a 437% revenue growth in the last decade that was driven by consumer demand and preferences.

The timeshare industry has also seen a year-on-year increase for the 9th straight year in 2019, according to the American Resort Development Association's (ARDA) 2019 AIF State of the Industry Study. Despite uncertainties, the timeshare industry is now more relevant than ever before – coming out on top, attracting a new crowd of timeshare owners while retaining its already strong consumer base.

As travel gets back into gear, it is well-positioned to capitalize on the early days of the leisure-led travel recovery from the pandemic. With the majority of timeshare owners having already paid through their vacation ownership, we expect of all travelers – business, leisure, and MICE – timeshare owners will be the first to start traveling again.

Why? Because the timeshare consumer demands it.

“Travelers are increasingly particular about factors such as sanitization and space, especially in lieu of safe-distancing measures. A strong, reputable brand that can provide assurance on safety and quality of stay will become the focal appeal for all travelers – timeshare owners or not,” says Paul Mulcahy, Managing Director for RCI APAC, India and EMEA.

According to ARDA's Shared Vacation Ownership Owners Survey that surveyed 1,600 timeshare owners in the U.S., about 56% of the respondents reported that they plan to take

their next timeshare vacation within the next six months when the pandemic ends. RCI affiliate Club Wyndham South Pacific says it saw a 5% jump in upgrade sales and prepayment of holiday credits in 2020 compared to 2019, with families eager to reunite following uncertainty over border closures and forced temporary lockdowns.

All these clearly point to a definite demand and the returning confidence of individuals and families who are ready to travel.

RCI's Mulcahy further highlights, "Having offered subscription-based travel memberships for over 45 years, RCI remains the leading vacation exchange company. Today's travelers want a one-stop shop with a company they trust, who knows them and their travel preferences, not just for vacation exchange, but for all of their travel. They want diversity in their travels that are adaptable, customizable for different travel occasions, family sizes, and access to destinations."

Travelers are realizing that a truly unforgettable vacation comes in a complete package, and no longer just booking a small 150 sq feet hotel room or an apartment. A customized experience that comes with convenience, flexibility, privacy, quality, and peace of mind – all in one. Timeshare resorts come with a choice of bedroom sizes complete with living and kitchens, which provides guests with an experience of home away from home.

"This is exactly where our expertise comes in," adds RCI's Mulcahy. "We have Travel Guides around the world who are experienced in membership servicing and delivering our best-in-class customer service. This is why members trust us for their vacations year after year."

As travel optimism returns – fueled by increasing vaccination rates and pent-up demand for travels, brighter days are on the horizon. "We are already seeing leisure travel returning in the US and parts of Europe, and members are booking longer stays than they used to. Leisure travel is back and there is no doubt that it is here to stay."

For more information on how you can leverage RCI's subscription-based membership to generate incremental revenue for your business, please visit RCIAffiliates.com or contact rciaffiliates.ap@rci.com