AIF Next Generation Research 2015

Simon Jaworski, Senior Vice President

Leger
Presentation Outline

✓ Study Methodology
✓ Questionnaire Content
✓ Results
  ✓ Media habits
  ✓ Timeshare perception/advocacy
  ✓ Future purchase intent
  ✓ Vacation planning
  ✓ Messaging
✓ Moving forward
✓ Final thoughts
Methodology – 3 Stages

1. Qualitative Focus Groups (late 2013)
2. In-Depth Interviews (late 2014)
3. Online Survey
   – 2,438 respondents (Feb 27th - March 11th) 32 minutes, among the following groups of respondents:

<table>
<thead>
<tr>
<th>Age</th>
<th>Owners</th>
<th>Non-Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials (22-33)</td>
<td>n=302</td>
<td>n=607</td>
</tr>
<tr>
<td>Younger Generation X (34-44)</td>
<td>n=251</td>
<td>n=512</td>
</tr>
<tr>
<td>Older Generation X (45-54)</td>
<td>n=256</td>
<td>n=510</td>
</tr>
</tbody>
</table>
### Demographics (Total Respondents)

<table>
<thead>
<tr>
<th></th>
<th>Millennial</th>
<th>Younger Gen X</th>
<th>Older Gen X</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Married</strong></td>
<td>52%</td>
<td>63%</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Single</strong></td>
<td>37%</td>
<td>19%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Divorced/Widowed</strong></td>
<td>2%</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Children in H/Hold %</strong></td>
<td>52%</td>
<td>70%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Average Income $</strong></td>
<td>$73k</td>
<td>$86k</td>
<td>$81k</td>
</tr>
</tbody>
</table>

---

**Residence**

- **Total Own**: 68%
  - **Millennial Own**: 59%
  - **Younger Gen X Own**: 74%
  - **Older Gen X Own**: 72%

---

**Married**

- **Total**: 58%
  - **Millennial**: 52%
  - **Younger Gen X**: 63%
  - **Older Gen X**: 58%

---

**Single**

- **Total**: 15%
  - **Millennial**: 37%
  - **Younger Gen X**: 19%
  - **Older Gen X**: 15%

---

**Divorced/Widowed**

- **Total**: 15%
  - **Millennial**: 2%
  - **Younger Gen X**: 8%
  - **Older Gen X**: 15%
Media Usage (1): Non Owners

Arrows show significant difference at 95% confidence

Daily Internet Access

<table>
<thead>
<tr>
<th></th>
<th>Millennial (n=607)</th>
<th>Younger Gen-X (n=512)</th>
<th>Older Gen-X (n=510)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary method of accessing internet</td>
<td>97%</td>
<td>95%</td>
<td>98%</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>28% ↑</td>
<td>27% ↑</td>
<td>11% ↓</td>
</tr>
<tr>
<td>Tablet</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Laptop</td>
<td>46%</td>
<td>41%</td>
<td>46%</td>
</tr>
<tr>
<td>Desktop</td>
<td>17% ↓</td>
<td>22% ↓</td>
<td>32% ↑</td>
</tr>
<tr>
<td>Other</td>
<td>77% ↑</td>
<td>66% ↓</td>
<td>61% ↓</td>
</tr>
</tbody>
</table>

Arrows show significant difference at 95% confidence.
### Media Usage (2): Non Owners

Arrows show significant difference at 95% confidence

<table>
<thead>
<tr>
<th>Media</th>
<th>Millennial (n=607)</th>
<th>Younger Gen-X (n=512)</th>
<th>Older Gen-X (n=510)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandora</td>
<td>27%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>15%</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>Magazines</td>
<td>9%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>TV/Streaming</td>
<td>77%</td>
<td>67%</td>
<td>67%</td>
</tr>
</tbody>
</table>
Internet Usage

Hours Spent Online in a Typical Week: Personal Use and Professional Use (Mean)

**Owners**
- Total Owners (n=809)
  - 13
  - 8
- Millennials (n=302)
  - 11
  - 9
- Younger Gen X (n=251)
  - 12
  - 8
- Older Gen X (n=256)
  - 16
  - 8

**Non – Owners**
- Total Non-Owners (n=1,629)
  - 16
  - 9
- Millennials (n=607)
  - 17
  - 10
- Younger Gen-X (n=512)
  - 15
  - 9
- Older Gen-X (n=510)
  - 16
  - 9

- Going online for personal reasons
- Going online for professional reasons

49% Personal
28% Professional
23% Social Media/Apps

Arrows show significant difference at 95% confidence
## Social Media Usage

### Non-Owners

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>85%</td>
</tr>
<tr>
<td>YouTube</td>
<td>62%</td>
</tr>
<tr>
<td>Twitter</td>
<td>36%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>31%</td>
</tr>
<tr>
<td>Google+</td>
<td>28%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>26%</td>
</tr>
<tr>
<td>Instagram</td>
<td>25%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>9%</td>
</tr>
</tbody>
</table>

### Millennial (n=607) | Younger Gen-X (n=512) | Older Gen-X (n=510)

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Millennial (%)</th>
<th>Younger Gen-X (%)</th>
<th>Older Gen-X (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>90%↑</td>
<td>85%↓</td>
<td>78%↓</td>
</tr>
<tr>
<td>YouTube</td>
<td>68%↑</td>
<td>61%↓</td>
<td>55%↓</td>
</tr>
<tr>
<td>Twitter</td>
<td>38%↑</td>
<td>38%↑</td>
<td>31%↓</td>
</tr>
<tr>
<td>Pinterest</td>
<td>39%↑</td>
<td>27%↓</td>
<td>25%↓</td>
</tr>
<tr>
<td>Google+</td>
<td>26%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>22%↓</td>
<td>27%↑</td>
<td>30%↑</td>
</tr>
<tr>
<td>Instagram</td>
<td>36%↑</td>
<td>22%↓</td>
<td>16%↓</td>
</tr>
<tr>
<td>Snapchat</td>
<td>17%↑</td>
<td>5%↓</td>
<td>4%↓</td>
</tr>
</tbody>
</table>
Knowledge of Timeshare

- **Millennial** and **Younger Gen X Owners** claim to be the most knowledgeable about Timeshare, significantly higher than the **Older Gen X’ers**.
- However, **Non-Owning Millennials** are currently behind the curve.
Among Owners, Younger Timeshare owners have a significantly more positive perception of the Timeshare industry than both Older Gen X’ers.

Among Non-Owners, perception is relatively flat and universally lower than for the corresponding owner groups.
Timeshare Perception Basis

- More than 9/10 **Older Gen X Owners** form their Timeshare opinions based upon personal experience.
- Younger **Owners** are guided much more by their peer groups – friends and family!
- **Non-Owners** are more likely to have views based upon friends and family, with ‘mass media’s’ influence still at 24%.

*Multiple responses are allowed: percentages will sum to more than 100%.*
Timeshare owners are significantly more likely to recommend timeshare than non-owners...

Among owners, Older Gen-X owners are less likely to be advocates than Millennials and Younger Gen-X, although the differences are minimal...

Non-Owners advocacy
Older Gen-X are also less likely to be advocates than Millennials and Younger Gen-X, although the differences are minimal...

OWNERS

Current Older Gen X Owners are not the ideal advocates.

However, Millennial and Younger Gen X Owners need to be the flag bearers for the Timeshares they own and love!
Future Timeshare Purchase

Millennials are more open to buying another Timeshare in the future.

...but Older Gen-X Owners ARE significantly less likely to consider purchasing a timeshare than Millennials and Younger Gen-X.
Among Owners, not only are Millennials most likely to buy a timeshare in the future, they are also more definite in their likelihood when compared to other owner groups.

Among Non-Owners, only one in ten Millennials; younger Gen-Xers have a definitive intent to purchase a timeshare in the future.

OWNERS

NON-OWNERS
Among Owners, the United States is the most preferred location for future timeshare, followed by the Caribbean, Mexico and Europe.

However, Millennials and Older Gen X’ers prefer Europe to Central America!
Future Vacation Plans:
Future Timeshares? (Among those interested)

- Current Older Gen X Owners are significantly less likely to look for domestic Timeshare purchases.
- Outside the US, the Caribbean leads the way for a potential future purchase of a timeshare.
- Similar to Owners, among Millennial Non-Owners, there is a higher interest to purchase a unit in Europe than a location in Mexico.

Location of Future Timeshare
(Among those who are definitely/probably/somewhat likely to purchase a timeshare in the future)

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Owners</th>
<th>Millennial</th>
<th>Younger Gen. X</th>
<th>Older Gen. X</th>
<th>Total Non-Owners</th>
<th>Millennial</th>
<th>Younger Gen X</th>
<th>Older Gen X</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>79%</td>
<td>88%↑</td>
<td>84%↑</td>
<td>65%↓</td>
<td>83%</td>
<td>85%↑</td>
<td>81%↓</td>
<td>81%↓</td>
</tr>
<tr>
<td>Caribbean</td>
<td>23%</td>
<td>22%↑</td>
<td>25%↑</td>
<td>21%↓</td>
<td>28%</td>
<td>29%↑</td>
<td>29%</td>
<td>24%↓</td>
</tr>
<tr>
<td>Mexico</td>
<td>14%</td>
<td>14%</td>
<td>18%↑</td>
<td>11%↓</td>
<td>12%</td>
<td>12%</td>
<td>14%↑</td>
<td>10%↓</td>
</tr>
<tr>
<td>Europe</td>
<td>15%</td>
<td>16%</td>
<td>18%</td>
<td>12%</td>
<td>18%</td>
<td>22%↑</td>
<td>16%↓</td>
<td>14%↓</td>
</tr>
<tr>
<td>Asia</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>8%↑</td>
<td>5%</td>
<td>3%↓</td>
</tr>
</tbody>
</table>
Non-Owners Future Vacation Plans: How do travel plans differ from 2014?

- Millennials are significantly more likely to expand vacationing in 2015!
- They are also significantly more likely to want to travel in larger parties, and obtain larger accommodation!

<table>
<thead>
<tr>
<th></th>
<th>Non-Owners (n=1,629)</th>
<th>Millennial (n=607)</th>
<th>Younger Gen-X (n=512)</th>
<th>Older Gen-X (n=510)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the number of vacations</td>
<td>31%</td>
<td>40%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Vacation farther from home</td>
<td>32%</td>
<td>33%</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Schedule a vacation during off-peak season(s)</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Have more people in your travel party</td>
<td>16%</td>
<td>19%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Obtain a larger place</td>
<td>15%</td>
<td>18%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Take a &quot;once-in-a-lifetime&quot; vacation</td>
<td>12%</td>
<td>15%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Schedule a vacation during peak season(s)</td>
<td>9%</td>
<td>11%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Exactly the same vacation as last year</td>
<td>11%</td>
<td>9%</td>
<td>11%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Non-Owners Future Vacation Plans: Number of trips?

- **Millennial Non-Owners** are planning on more vacations than Gen X’ers!

<table>
<thead>
<tr>
<th>2015 Vacation Planning</th>
<th>Mean # Vacations Planned</th>
<th>Planning To Visit Florida</th>
<th>Planning To Visit California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Non-Owners (n=1,629)</td>
<td>2.7</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Millennials</strong> (n=607)</td>
<td><strong>3.0</strong></td>
<td><strong>18%</strong></td>
<td><strong>12%</strong></td>
</tr>
<tr>
<td>Younger Gen-X (n=512)</td>
<td>2.5</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Older Gen-X (n=510)</td>
<td>2.4</td>
<td>19%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Non-Owners Future Vacation Plans: How will they book?

Millennials
- Online travel site: 63% ↑
- Direct (through resort/airline): 37% ↓

Younger Gen Xers
- Online travel site: 57% ↑
- Direct (through resort/airline): 37% ↓

Older Gen Xers
- Online travel site: 49% ↓
- Direct (through resort/airline): 44% ↑
Non-Owners Future Vacation Plans: Research/Reviews

- Millennials
- Younger Gen Xer
- Older Gen Xers

BEST DEAL

75%
Future Vacation Plans: Destination in 2015?

More than half of Timeshare Owners still want a ‘single state’ vacation, however… Owners want to go abroad…with Millennials/Younger Gen X headed to multiple countries.
Non-Owners - Communication:
How should you contact them? – Most preferred

Millennials

- Email: 55%
- Mail: 20%
- Social Media: 6%

Younger Gen Xers

- Email: 50%
- Mail: 28%
- Social Media: 4%

Older Gen Xers

- Email: 48%
- Mail: 33%
- Social Media: 2%
Non-Owners - Communication:
Messaging – QUIZ TIME!

A. “You can stay at a quality resort anywhere you choose.”

B. “You can save money on future vacations by owning a Timeshare.”

C. “Owning a Timeshare will encourage you to vacation more regularly.”

D. “Timeshare is your home away from home.”
Non-Owners - Communication:
Messaging – Top 5 messages

1. You can stay at a quality resort, anywhere you choose

2. You can stay at a luxurious resort, anywhere you choose

3. Timeshare resorts offer flexible vacationing in a variety of locales around the United States and all over the world

4. You can save money on future vacations by owning a Timeshare

5. Through an exchange program, you can go on different types of vacations every year, including cruises

...and amazingly, there was no difference between Millennials and Gen X’ers!
Non-Owners - Communication:
Messaging – **Bottom 3 messages**

1. **Timeshare is your home away from home!**

2. Owning a Timeshare will encourage you to vacation more regularly

3. Through an exchange program, you can stay at a different resort within the same resort family

...and again, there was no difference between Millennials and Gen X’ers!
Moving forward...

1. Millennial and Younger Gen X Owners are very similar, so treat them that way!
2. These two groups are the Timeshare industry’s biggest advocates.
3. Millennial Non-Owners are their own segment, and they are ready to consider buying Timeshare.
4. The Next Generation are a visual generation.
5. Millennials want to travel the world.
7. Guarantee that booking is easy for Non-Owners. Website.
8. Mobile is gaining in importance. Mobile site.
9. Everyone is still looking for a vacation deal...
10. ...so develop Timeshare products that are going to appeal to either sides of the generation gap.
11. Contact ARDA’s Darla Zanini and Lan Wang to find out more about this exciting and important AIF research, before it’s too late!