

[HOME](#) / [BLOG](#) / WHAT IS NEXT FOR TIMESHARE EXCHANGE COMPANIES?

WHAT IS NEXT FOR TIMESHARE EXCHANGE COMPANIES?



By Ivar Yuste

December 3, 2013 - Categories: Blogs,

In 1974 Jon and Christel De Haan came up with a revolutionary business model on the back of the emerging timeshare product concept. [Resort Condominiums International](#) was born. [Interval International](#) followed in 1976 with a similar affiliation format. In 1996 De Haan became a millionaire after selling RCI to HFS (later renamed Cendant).

Throughout the 80s and 90s RCI and Interval thrived. The business proposition of timeshare was very appealing, and the vacation exchange concept was unique in its vision and technology architecture. In the most conservative scenario, timeshare could at least double the conventional GOP performance levels of any independent vacation resort.

In the last decade most of the top hotel brands have developed their own timeshare exchange systems through hotel vacation clubs such as [Marriott Vacation Club](#), [Hilton Grand Vacations](#) and [Starwood Vacation Network](#). More than 20% of Marriott's turnover, prior to the spin off of MVCI, was coming from vacation ownership.

Having affiliated thousands of resorts globally, RCI's Wyndham and Interval International built up massive call centers with hundreds of customer service agents to cope with demand. As a result, they were able to outsource the management of their sophisticated points and weeks systems to some of the world's most important hospitality groups. Wyndham adapted further by making large acquisitions in the vacation rental space and becoming the world's largest vacation rental network with more than 20 brands in this segment only. Both RCI and Interval even created higher-end exchange systems, [The Registry Collection](#) and [Preferred Residences](#), to match the new PRC (Private Residence Club) offering of the likes of Steve Case's [Exclusive Resorts](#), [Fairmont Heritage Place](#), [Rocksure](#), [The Hideways Club](#) and [The Ritz-Carlton Destination Club](#).

These days, with the exception of markets fed by North American demand, where timeshare sales are still growing, the rest of the markets are struggling in the global downfall of the consumer markets. Only the very high-end niche of the spectrum, with exclusive value-added propositions around PRCs and fractional ownership, seem to be able to sustain appealing USPs for customers and real estate developers.

It seems market dynamics are catching up with once-revolutionary formulas. At the lower end of the market, the boundaries of timeshare exchange companies and the old [Intervac](#) and [Interhome](#) home exchanges are blurring with the proliferation of web-based newcomers such as [Airbnb](#), [Home for Home](#), [Home Exchange](#), [Itamos](#) (which has just merged with [Guest to Guest](#)), [Stay4free](#) and [Knok](#), amongst others.

Will timeshare exchange companies be able to re-invent themselves in the face of new Internet business models? How will these timeshare exchange platforms evolve next?

COMMENT

You must be [logged in](#) to post a comment.