

Does Generation Y Want to Inherit Their Parents' Timeshare?

Introduction/Summary

The purpose of the case study is to discuss if the Generation Y consumers want to inherit the timeshare and pay the maintenance fees. This case study introduces the dilemma many Baby Boomers are facing in their retirement as they try to transition their timeshare interests to their Generation Y children. The students will have the opportunity to learn about generational theory along with insights into the characteristics of Baby Boomers and Generation Y. The case provides options to consider and analyze in the resale market of timeshare. Students are encouraged to develop recommendations for educating and marketing to Generation Y about the benefits of timeshare that would ultimately result in their desire to inherit their parent's timeshares.

Teaching Objective

This case study provides instructors with an overview of the timeshare industry and a glimpse into an issue that may be looming for the timeshare industry. By completing this case, students should be able to:

- Define the concept of generational theory and the characteristics of Baby Boomers and Generation Y.
- Discuss whether Generation Y want to inherit their parent's timeshare.
- Discuss whether the current timeshare product fits Generation Y's needs or desires and if not, provide recommendations on how the current timeshare product should be changed.
- Provide recommendation on how Generation Y can be persuaded to keep their parent's timeshare.
- Provide recommendations to educate Generation Y on the advantages of inheriting their parent's timeshare.

Class Instruction

The learning objectives will be divided into separate sections that build upon each other. A variety of teaching techniques are employed including lecturing, small group discussion, multi-media, and assessment. The case is expected to take three hours of class time and is separated by approximately an hour on each topic to allow for lecture, discussion, and assessment.

Prior to Class

Prior to class students will be asked to read the case study and additional reading materials provided on Generation Y and the timeshare industry. Students will be requested to come prepared to discuss the following topics:

- Generational Theory

- Baby Boomers
- Generation Y
- Timeshare Overview
- Timeshare Resales
- Generation Y and Timeshares

Phase I—Timeshare Industry (45-60 minutes)

1. Begin with an introduction to timeshares by asking if any of the students work in the timeshare industry, have immediate family members that own timeshare, or have stayed in a timeshare before (10 minutes)
2. Provide an overview of the timeshare industry with short videos (20 minutes)
 - <https://player.vimeo.com/video/135924309>
 - https://www.youtube.com/watch?v=hxnUkHf_-k0
 - https://www.youtube.com/watch?v=3_Ro4SZp0nw
 - <https://www.youtube.com/watch?v=kbX4jbgHrM4>
3. Break students into groups of "timeshare owners" and "timeshare developers" to discuss their perspectives of the current resale approaches (15 minutes)
4. Students present their group's views on the resale approaches from the perspective of the "timeshare owner" or "timeshare developer" (15 minutes)

Phase II—Generational Theory (45-60 minutes)

1. Begin with an introduction to generational theory by asking students to define what generation they belong to and how they would describe their generation (10 minutes)
2. Ask the students who the Baby Boomers are and view a video on Baby Boomers (10 minutes):

<https://www.youtube.com/watch?v=-5IJexTaLfg>
3. Lecture on generational theory and characteristics of Baby Boomers and Generation Y (20 minutes)
4. Show a video on Generation Y and travel: <https://www.youtube.com/watch?v=6tUWUX2b98g> (10 minutes)
5. Break students into groups to discuss what Generation Y is looking for in travel accommodations (10 minutes)
6. Groups present their findings (10 minutes)

Phase III—Assessment (45-60 minutes)

1. Review the case study discussion questions with the class (10 minutes)
2. Break students into 6 groups and assign each group a question to discuss (20 minutes)

- a. Does Generation Y want to inherit their parent's timeshare? Why/why not?

Gregory and Kaufmann (2014) support the idea of Generation Y wanting to inherit their parent's timeshare while Kaplan-Sherman (2014) disagrees that timeshare does not fit their travel needs. Given that Generation Y would not have to make the purchase to own, merely pay the yearly maintenance fee like a rental, which is a characteristic of their generation, they may be interested in inheriting it.

- b. Can Generation Y be persuaded to keep their parent's timeshare? If so, how?

Generation Y could be persuaded to keep their parent's timeshare if they understood the flexibility of the product and that they could take vacations in different places, in different size units, in different time intervals, and at different times of the year.

- c. What Generation Y characteristics discussed in the case would make them inherit their parent's timeshare? Why?

The flexibility of going anywhere at different times would be a benefit to them based on their characteristics. A vacation rental is a travel preference for their generation. Inheriting their parent's timeshare would be similar to renting as they did not make the initial purchase, but rather pay maintenance fees comparable to the cost of a vacation rental.

- d. Does the current timeshare product fit Generation Y's needs or desires?

Timeshares do not meet the needs for those who prefer camping. However, it does meet the needs of those who prefer resorts and vacation rentals. Timeshares can accommodate shorter trip preferences with flexible point products.

- e. Should timeshare developers or management companies be persuaded to educate Generation Y about the advantages of timeshare? If so, how?

It would behoove timeshare developers to provide educational materials to their owners to share with their children. Inheriting the timeshare should be presented as a benefit that if they were to pursue buying the timeshare in later years they would need to pay more than \$20,000. By inheriting the timeshare, they are saving themselves the initial investment of \$20,000 that their parents have already paid. What they will be paying in maintenance fees is comparable to what they would pay for hotel rooms with far less space and amenities (private bedrooms, kitchen, living/dining area).

- f. If your parents have a timeshare would you be interested in inheriting it? Why/Why not?

As this question is designed to elicit a preference, students may answer in the affirmative with support related to saving on the initial \$20,000 purchase price, the flexibility to use

it how they preferred, as well as the certainty of resort-style accommodations and amenities. On the contrary, students that say they are not interested in inheriting their parent's timeshare may not be interested in the long-term commitment (owning in perpetuity for most timeshare plans), the maintenance fee component, or particular features related to the particular product that their parent's owned.

3. Groups present their recommendations (15 minutes)
4. Summarize the case study and ask students if they would want to inherit their parent's timeshare (15 minutes)

Additional Reading Materials

http://tug2.net/timeshare_advice/tug_timeshare_advice.shtml

<http://vacationbetter.org/why-timeshare/>

<http://www.arda.org/news-information/consumerinformation/overview.aspx>

<http://www.arda.org/arda/news-information/default.aspx?id=2827>

<http://www.arda-roc.org/resales/>

<http://timeshareeducation.org/>

http://www.nxtbook.com/ygsreprints/ARDA/g48198_arda_mar2015/#/40

http://www.nxtbook.com/ygsreprints/ARDA/g40308_arda_aprmay2014/#/36

<http://www.resorttrades.com/articles.php?showMag=Resort&act=view&id=1137>

<http://perspectivemagazine.co/mags/PMJULY-AUG2014/>

http://www.nxtbook.com/ygsreprints/ARDA/g39858_arda_mar2014/#/30

Timeshare/Resort Briefs. (2006). Lodging Hospitality, 62(13), 26.