

Resort Trades

Every Resort; Every Month

New Decade – New Visions

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New Decade – New Visions

Leading companies share how they plan to overcome Future industry-wide challenges

By Marge Lennon

Many insightful responses to our recent Resort Trades' Survey provided a compelling insider view of reader preferences. One of the results of hearing directly from our readers created the impetus for a series of articles that would study the direction of the resort industry. We believe that if we connect with industry leaders during the months to come, we will learn — firsthand — how companies are overcoming industry-wide challenges and what they anticipate in the future. In this inaugural 'State-of-the-Industry' article launching the series, Capital Vacations and Welk Resorts allowed us a sneak peek into their own crystal balls.

Kelley Ellert is a 9-year industry veteran. She is a Marketing and Creative Services Strategist for South Carolina-based Capital Vacations. The resort development, sales and management company serves



Kelley Ellert,
Capital Vacations

more than 200,000 owners at 70+ locations throughout the U.S. and Caribbean. We asked Kelley to describe how resales are handled within her company and how they encourage social media participation from owners.

Resales. “Because we found that resales are a huge challenge for most legacy resorts, we developed sales programs that

are specifically designed to help these types of properties. Typical resale programs – with one on-site agent – do not sell enough volume to make a large dent in the overall budget of a resort. We’ve also noticed that these onsite sales reps are more capable of selling high-season, high-demand weeks, leaving shoulder and off-season weeks to become more and more delinquent over time. Our sales programs have increased HOA annual budgets by 6-12%, adding hundreds of thousands to the revenue of those properties.”

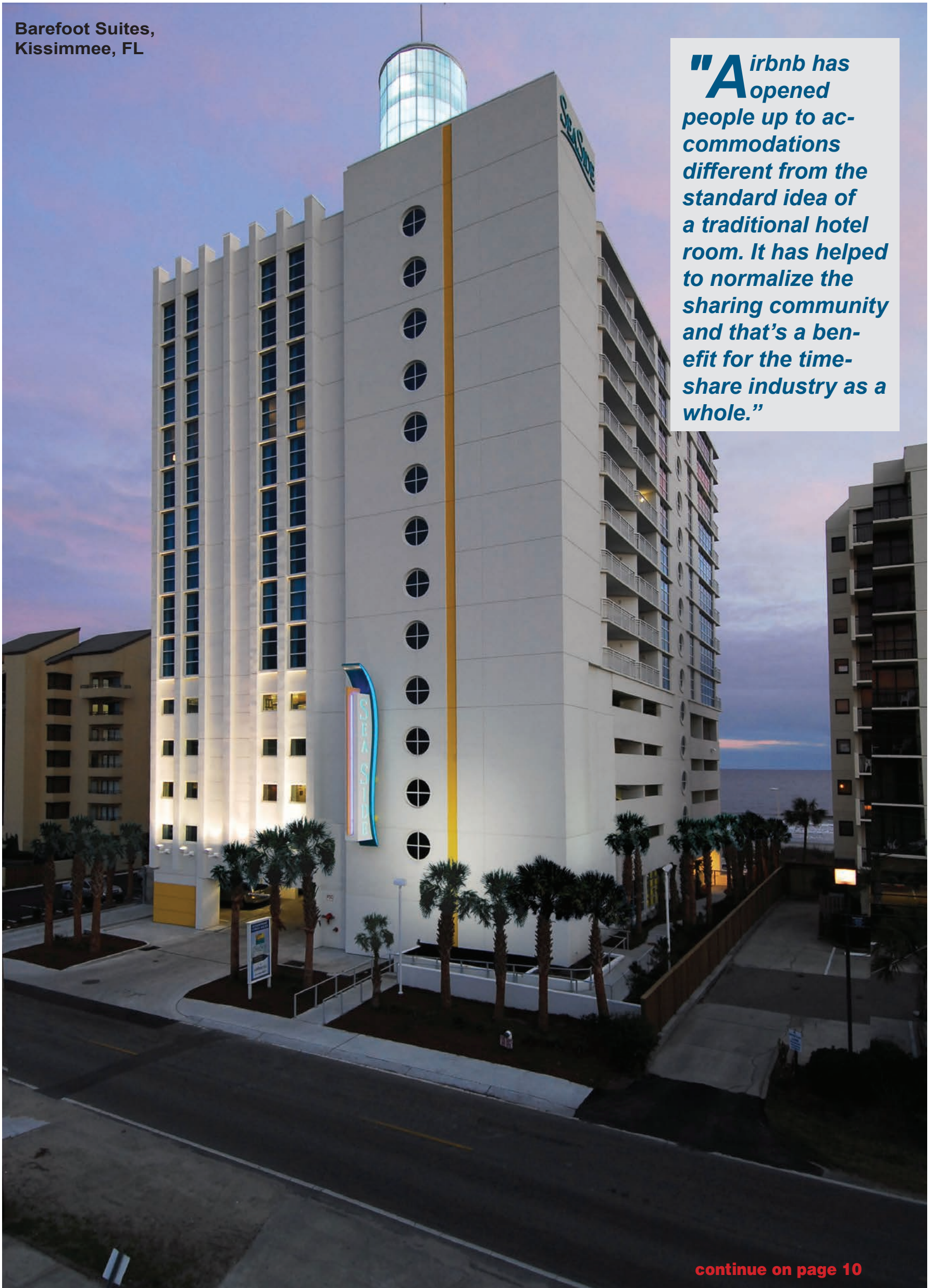
“Our Club program pays the maintenance fees on HOA-owned inventory and puts our Club owners into that inventory. Because legacy weeks have the same maintenance fee for every week, whether high season or low season, most HOA’s have an influx of low season weeks

Barefoot Suites,
Kissimmee, FL



Barefoot Suites,
Kissimmee, FL

"Airbnb has opened people up to accommodations different from the standard idea of a traditional hotel room. It has helped to normalize the sharing community and that's a benefit for the time-share industry as a whole."



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We are seeing the average length of stays continue to decline. We are also seeing booking windows reducing. Today's consumers appear to be making travel/vacation decisions much later than in the past and staying only 2-3 nights.



The Ranahan by Welk Resorts, in Breckenridge, CO



because maintenance fees can be higher than the rental costs in these weeks. The Club structure allows timeshare owners to have flexibility on where, when and for how long they travel and the HOA's are guaranteed maintenance fees. It's a win-win for the consumer and the resort."

"In terms of the emergence of Airbnb and other short-term rental companies," Kelley adds, I think Airbnb has opened people up to accommodations different from the standard idea of a traditional hotel room. It has helped to normalize the sharing community and that's a benefit for the timeshare industry as a whole."

Social Media. "To encourage owners/guests to post reviews, we've started to use Intuition software to send check-out emails that prompt people to leave a review," shares Kelley. "We've also worked to increase our presence on social media so it's more of a back-and-forth conversation with the brand which promotes increased engagement. We don't feel that just responding to a review is enough, we also work to ensure any online comments are also being looked at internally to resolve any issues that those reviews could potentially raise."

Sean Coogan is Vice President of Resort Operations for Welk Resorts and a 30-year industry veteran. Welk Resorts operates eight spectacular vacation ownership properties and 15 Experiences Collections resorts in San Diego, Palm



Sean Coogan,
Welk Resorts

Springs and Lake Tahoe in California, Cabo San Lucas at the southern tip of Baja, Mexico, in Branson, MO, plus their newest property, Welk Resorts Breckenridge - the Ranahan. They have also acquired the management contract for The Residence Club at El Corazon de Santa Fe in Santa Fe, New Mexico, from Fairmont Hotels & Resorts. The company serves over 50,000 owners.

Regarding top challenges over the past year, Sean says, "With low unemployment, maintaining staffing levels has been a significant challenge. At Welk Resorts, we are blessed to have strong retention, but in some front-line areas — such as housekeeping — we will need to be more aggressive in our strategies to attract more new hires."

Social Media. "Rather than a challenge, we see the next decade as providing a greater opportunity to use the internet and growing social platforms for all areas ... including sales, marketing and operations. It is clear that today's consumer wants things fast and immediately available to them, which the internet provides. It will be important for us to remain diligent in ensuring that we are being innovative and thinking ahead."

"Fortunately, high delinquencies are not a challenge for us, although we do have legacy resorts in our portfolio. This means that it is important for us to listen to our owners and assist in any way possible, whether they are a deeded owner of 30 years or a brand-new Platinum Priority Points Owner. We remain focused on ensuring that our owners enjoy using their timeshare purchase while also hearing about their vacation experiences. We know that frequent usage equates to a happy owner so we continuously help

owners understand their usage opportunities"

In terms of shorter term vacations, Sean says "Yes, we are seeing the average length of stays continue to decline. We are also seeing booking windows reducing. Today's consumers appear to be making travel/vacation decisions much later than in the past and staying only 2-3 nights. Our points program allows for this flexibility, which is a great for our owners. Our greatest 'success story' in recent months has been the opening of our beautiful new 67-unit resort Breckenridge, Colorado."

When asked about his favorite articles in Resort Trades, Sean says he most enjoys resort spotlights and learning how best practices are applied at other properties. Kelley Ellert adds,

"I always navigate towards the people stories first. It's inspirational to read their stories and how they've innovated or overcome challenges. At the core of everything, tips, property improvements, etc. is people and their "

Readers who desire to to participate in this series are invited to contact Sharon at SharonINK@thetrades.com



Marge Lennon loves to tell other people's stories. She has had a front-row seat to the growth of the timeshare industry since 1978 and has written about its entrepreneurial developers and their amazing people from the Adirondacks to Australia.

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