



Consumer empowerment and the impact on marketing and sales in the vacation ownership industry

Niki Christian Nutsch, Doctoral Researcher at the Oxford School of Hospitality Management and Marketer, specialized in the vacation ownership industry, discusses how the internet has triggered a fundamental shift in power from developers of vacation ownership resorts to consumers and which marketing and sales implications arise from this development.

For many players in our industry consumer empowerment still is about increasing consumer value by providing additional access, content, education and commerce to wherever the consumer is located.

Vacation ownership marketers may seek to deal with consumer empowerment by enabling consumers whilst limiting the extent of delegation. For example, many brands and individual resorts designed their web site for ease of use, giving customers greater accessibility over various channels

and over their dealings with the company. Notwithstanding its desire to adopt a customer-centric orientation, the emphasis is still on operations: “to meet its customers’ needs while reducing the amount of stress placed on its call centre, as well as the costs related to handling calls. While cited as consumer empowerment, what consumers are allowed to do is determined, regulated

salesperson and the relationship built during the sales process. While there is no reason to doubt that at least the later is true, the author feels that the traditional marketing and sales model of the industry is in need of significant reengineering, not only because it generally incurs high costs, but mainly because of the fact that the rules of the game have changed. Before the explosion of the internet and in

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and controlled by the supplier. In terms of marketing and sales processes, the vacation ownership industry, for the last decades, had convinced itself that consumers are unable to decide to purchase their products unless they sit through a several hour sales pitch, and that sales are made in large part due to the

particular social media, vacation ownership marketers held the upper hand in the sales process. They were able to fully shape the message about product concepts, costs and benefits of the specific products they sold. Today, an increasingly high percentage of potential vacation ownership purchasers arrive

to tour the resorts armed with information, opinions and intelligence about exactly what they may be buying. The ones who do not, make good for it after they have left the sales gallery; in particular if they have just signed to purchase a product for several thousands of their hard earned dollars. Social media networks like Facebook or Twitter, travel blogs, travel review site such as TripAdvisor or specialised online forums like TUG (the "Timeshare User's Group" which claims to have more than 60,000 members) have triggered a fundamental shift in power from the resort developer to the consumer. They provide potential buyers a rapidly growing and easy to access source of consumer oriented information and advice on vacation ownership products, resorts and concepts. From a consumer perspective, this access

empowerment is structural, relatively permanent and also difficult to control, then there are probably major implications for traditional marketing and sales strategies that focus on sales personal presentations where sales persons allegedly have the information authority and aim to establish control over the customers from the moment the tour begins.

Current processes include tour schedules that are typically arranged according to the needs and convenience of the resort and not the customer and the industry remains one of the last that has not embraced target selling or the process of selling to an individual in the manner that the individual desires. Like in every well-functioning industry, consumers of vacation ownership products who dislike a product tell other consumers and turn

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to more information about the market is complemented by larger choice sets due to the global reach of the internet, by the ability to exchange information and opinion with peers, to change their own perceptions and behaviour in a rapid and largely unchecked manner, and to define brands on their own: Today, a brand is no longer what cooperate marketing tells the consumer it is, it is what consumers tell each other it is. The very same applies to the quality of a vacation ownership product concept. Potential buyers and existing owners are becoming increasingly empowered in their decision-making. Potential buyers and existing owners alike perceive that they have alternative suppliers and alternative product-concepts from which to choose. Their zone of tolerance is likely to be smaller and they are more likely to reject value propositions of unsatisfactory quality, as they tend to have higher perceived quality expectation.

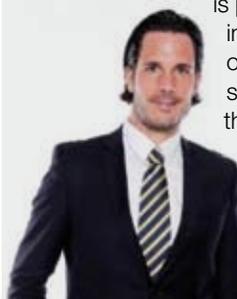
Because control is being ceded by business to consumers, the latter can be said to be increasingly empowered in their decision-making. Therefore, the opportunities afforded to resort marketers by advances in technology and the Web 2.0 – as more sophisticated and personalized marketing strategies – come with a sting of unintended and largely uncontrolled consumer power; uncontrolled because an individual business is unable to restrict the search processes and ongoing engagement with family, friends and social networks via photos, videos, storytelling and reviews. All these developments are about to turn upside down what has been working for sales and marketing in our industry over the last decades. If the growth of consumer

to another one, punishing the developer who has not fulfilled their expectations, and rewarding those who are in tune with their demands. This is what increases competition and competitiveness. However, consumer empowerment in the view of the author also present a golden opportunity for the industry to make greater contact with its owners and potential customers and to better understand their needs, with an ultimate goal of developing a partnership for brand growth and development. A great advantage of social media is that owners and resort guests are willing to share information about their likes and dislikes. Developers and management companies should aim to keep them involved in a conversation via websites, mobile apps and social media channels. The more demanding consumers become, the more their uniqueness may prevail with preferences expressed for value propositions that more closely match this uniqueness. This is the rationale for the argument that, rather than forming a global market, the internet is advancing consumer market fragmentation. Fragmentation, however, does not necessarily imply less empowered consumers. It creates the opportunity for resort developers to devise personalised marketing and sales strategies that heighten consumers' selective perceptions, leading to a preference towards the developer's vacation product. Marketing strategy rests on a control premise and the prior analysis implies that traditional marketing and sales strategies are operating under a false premise. There is a need to regain control over the marketing process, that is, to manage the technological empowerment of consumers. The valuation of consumer loyalty

in this environment rises significantly. Being perceived as the best provider in empowering customers may be one approach, creating a situation where owners feel sufficiently empowered to lack further interest or motivation in searching for alternative products or exist strategies. We all operate in what has been called the Reputation Economy – a marketplace where who you are matters increasingly more than how nice your resort or how great your product concept is – players in the vacation ownership industry must harness a thorough understanding of what is being said about their brands and products and responding to positive and negative feedback.

One of the industry's greatest strengths has always been the adaptation of the product to consumer needs and demands, and the vacation ownership product has evolved from a fixed-week, fixed-unit real estate purchase to an evolving travel currency that can be used to enjoy many different travel products for varying lengths of time. Vacation ownership developers and players within the organizations have shown a great ability to ascertain consumer travel needs and wants, and to develop product to meet these travel preferences. Given the changed market reality of empowered consumers, it is now time for vacation ownership and timeshare companies to build on these strengths and focus on the adaption of marketing and sales processes to meet the needs and demands of nowadays' empowered consumers.

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