



THE STANDARDS– CHARACTERISTICS MATRIX. A METHODOLOGICAL TOOL FOR THE CODIFICATION AND EVALUATION OF THE INTERNATIONAL OPERATIONAL IMPLEMENTATION OF TIMESHARE

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ABSTRACT

Timeshare, being a special tourism product, has achieved a remarkable growth and geographical expansion over the last decades, becoming a successful business choice for a great number of tourism enterprises globally. However, the scientific and theoretical approach of the product's operational implementation has been delayed, whereas it has been limited mainly to following the developments in the market, unable to support businesses, entrepreneurial bodies and national and international tourism planning authorities. The cause for this is the absence of a commonly accepted theoretical foundation, which shall define the product within the framework of the tourism market and the other tourism products and which shall allow the examination, under a commonly accepted view, of the international operational implementation of Timeshare, the way it is produced and sold, as well as of the different Standards– Forms and their particularities. This paper aims at presenting the methodology for shaping the Standards– Characteristics Matrix of Timeshare and explaining its utility. The Standards– Characteristics Matrix is an international first attempt at codification, combined presentation and theoretical definition of the operational implementation of Timeshare, more specifically of its basic Implementation Standards and their Characteristics. The Matrix, as a product of study of the international bibliography and of the practical application of Timeshare in the market, is thus capable of assisting both official authorities and enterprises in their policy-making, strategic planning and decision-making, which shall aim at a correct interpretation of the past and a more efficient operational implementation of the product in the future.

Keywords: Timeshare, Operational Implementation, Standards- Characteristics, Matrix.

INTRODUCTION

Timeshare is “*the purchase of rights of occupancy, usually in multiples of one week for a successive number of years. The right may be either for a fixed duration or in perpetuity*” (O.T.E., 2001). The innovative aspect of Timeshare is related to distributing the right to use the resort to a great number of owners and consequently to dividing the cost to acquire the right and the cost to maintain and manage the building (Upchurch and Gruber, 2002). Timeshare essentially offers the possibility to modify the terms of ownership, at least as far as the possession and use of the holiday resort are concerned. Beyond the two classic possibilities (purchase of a vacation house or accommodation in a specific resort for a limited number of days) a third one appears, the possibility to jointly own or use the vacation resort at regular intervals on a repetitive pattern. This allows the development of a different “ownership” relation between the tourist– Timeshare owner and the resort used during the vacation (Stavrinoudis, 2004; Zacharatos et al, 1992). Timeshare ownership may take many different forms, but the two most usual are the interval– based and the points– based ones (Upchurch and Lashley, 2006).

The evolution of Timeshare is mainly the result of the effort made by the businesses to offer a competitive tourism product, one that will be as financially accessible and as rich in Characteristics as possible.



The product's flexibility has allowed it to achieve a remarkable geographical expansion, increasing globalisation and a constant augmentation of its fundamentals (number of affiliated resorts, owners, weeks sold, etc.) (Pryce, 2002). At the same time, the procedure is underway to renew the product, which has evolved over time from the simple ownership of an interval into a great variety of choices (title/trust, point systems etc.). Concerning its overall nature, however, Timeshare can be especially complex in the operational, functional and institutional parameters that define its operation (Sparks et al, 2007), a fact that contributes to the difficulty the average buyer encounters when trying to sufficiently comprehend the product's nature and Characteristics.

The constant effort to differentiate and enrich Timeshare, as already mentioned, partly accounts for the creation of many Standards and sub models on an international level. Moreover, the legislation has not achieved to meet the needs that arise in the market in a satisfactory and unified way (Woods, 2001) and has not adequately responded as regards the protection of the buyers- owners. The combination of these two facts has led to a worldwide confusion as regards the market's organisation and operation, accompanied by an important difficulty to exercise control over the businesses' actions (Stavrinoudis, 2006). In several markets, mainly European ones, there is a reduction in sales and in owner numbers, an expansion of fraud cases and finally a worsening of the already bad product "image" (Timeshare Consumers Association, 2005).

At the same time, each country that has developed the Timeshare sector has its own Characteristics and particularities (legal, financial etc.) that affected the product's Characteristics as well, resulting in differences in the forms (Standards) according to which it was implemented internationally. Most important among those being matters of legislation, ownership or use of the resort and naturally, owner protection (Price Water House, 2005, European Union). It is thus understood that there does not exist a single, internationally accepted Standard for the operational implementation of Timeshare, one that can be applied in all of the countries that have developed the product, a phenomenon that is particularly intense across the European continent (Stavrinoudis, 2004).

THE ABSENCE OF AN INTEGRATED THEORETICAL FRAMEWORK CONCERNING THE INTERNATIONAL OPERATIONAL IMPLEMENTATION OF TIMESHARE

A main weakness of Timeshare on an international level is its limited scientific investigation and its fragmentary study. This creates a keen need for quantitative and qualitative research in many fields (consumer behaviourism, training and development etc.) (Upchurch and Gruber, 2002). And this occurs because, although Timeshare has been experiencing good growth rates on an international operational level, the same is not happening on the level of theoretical- scientific study and documentation, resulting with its theoretical examination lagging and being unable to support the product's development planning. The scientific study of Timeshare has lagged significantly, simply following the developments in the market, unable to be a supporting factor for entrepreneurial bodies and national tourism planning authorities. Scientific consideration about Timeshare takes place usually ex post and in order to make a partial interpretation of the developments (Stavrinoudis, 2004).

Moreover, we face an insufficient integration, on the one hand of the theoretical foundation that would handle matters of organisation and market, product and enterprise operation, and on the other, of a commonly accepted framework of scientific approach of Timeshare which would define its basic operational parameters and would incorporate it in the frame of the tourism market as a whole. A commonly accepted theoretical foundation is absent, one that would allow the fragmented scientific approach of Timeshare to function complementarily to the encompassing investigation of the product. The existing literature cannot cover the lack in the theoretical investigation of Timeshare, since it is sporadic, a phenomenon that is especially noted in the case of defining and studying the main Standards for the Operational Implementation of Timeshare (Stavrinoudis, 2004).

Whatever scientific study of Timeshare has been done until today, it has for the greatest part been research funded by enterprises aiming at collecting specific quantitative data concerning specific subjects pertaining to their business interests. Most of these researches have focussed on the USA market, which has



experienced considerable growth and to a much lesser degree on other, new markets which have recently begun to be investigated.

On an academic level, the research about Timeshare is limited internationally, as is the number of researchers examining the product in a scientific manner, resulting in the existing international literature being inadequate and often characterised by the practical approach of the main functions of Timeshare. However, it is especially encouraging that for the past few years educational institutions, mainly in the USA, have been occupied with Timeshare. Some typical examples are the Cornell University, the Florida International University, the Griffith University (Australia), the University of Central Florida, etc. which have departments of tourism studies and organise courses about Timeshare, while at the same time building co operations with businesses and market bodies (e.g. the ARDA).

THE UTILITY OF THE STANDARDS– CHARACTERISTICS (S-C) MATRIX

The S-C Matrix is an international first attempt at codification, combined presentation and theoretical definition of Timeshare, more specifically of its basic Implementation Standards and their Characteristics, as these appear in the literature as well as in the product's practical application. The methodology of a matrix was chosen since it provides the main advantage of the simultaneous exploitation of different notions and the outlining of the interrelations and interdependencies between them, while providing combined information and knowledge about specific dimensions of these notions (Mitchell, 1991).

For this reason, the S-C Matrix, beyond its originality as far as research is concerned, is a dynamic observation and presentation tool for the parameters and changes relating to Timeshare. A tool which can be constantly renewed based on international market developments, assisting thus both official authorities and enterprises in their policy-making, strategic planning and decision-making, which shall aim at a correct interpretation of the past and a more efficient operational implementation of the product in the future.

By developing the S-C Matrix it was possible to analyse, codify and present in detail the main Standards for the Operational Implementation of Timeshare and their main Characteristics on an international level. The codification of the international discourse about Timeshare was thus pursued, by exploiting the experience from the international market and the successfully applied product Implementation Standards. This codified presentation has the form of a double entry Matrix which facilitates the comparisons between Standards and their individual Characteristics. Therefore, we are now able to make a combined analysis and extract conclusions mainly by three means:

- a) By analysing each cell individually, allowing thus to focus our interest at a "point" where two notions "meet" (Mitchell, 1991), a fact that allows the gaining of insights in matters that are related to the two notions in the form of a structured brainstorming (Clark, 1958). This results -in a manner that is clearly easier- to the synthesis of the two notions as well as to the evaluation of the knowledge that comes from presenting a specific Characteristic to a specific Standard. Beyond the extraction of conclusions, the creation of research questions and the verification of specific assumptions at various points in time are also made possible. «*The matrix is logical and flexible, and its application is limited only by the imagination of the individual user*» (Mitchell, 1991).
- b) By analysing each row of the Matrix, which allows the investigation of the appearance and the particularities of a specific notion (Characteristic) related to another category of notions (Standards). This way, the limitations related to the individual analysis of each specific cell are overcome and we are faced with increased information and extraction of conclusions related to a notion, a fact which allows a more holistic approach to that specific notion and its meaning (Mitchell, 1991).
- c) By analysing each column of the Matrix, thus facilitating the investigation of a notion (Standard) via all the other notions that appear in the first column of the Matrix (Characteristics), allowing the extraction of more specific conclusions related to the Standard in question.

The S-C Matrix is in substance a theoretical framework that allows, by its proper exploitation, the pinpointing of the strengths and weaknesses that characterise specific notions, facilitating the formulation of interpretations, the extraction of conclusions and the broadening of knowledge related to the more effective



operational implementation of Timeshare on an international level. Thus, it is easier to make comparisons and present each Standard's particularities as well as to pinpoint their similarities and differences and the operational problems arising from their practical application.

The proper exploitation of the S-C Matrix transforms it into a dynamic tool for the quick and efficient evaluation of the dominant Timeshare Standards, while it can also be continually renewed depending on the developments in the market. It facilitates the adoption of a variety of interpretations concerning the organisation and operation of Timeshare, allowing the simultaneous adoption of different interpretations above and beyond the existing knowledge about the product, a fact that can broaden the experience from the organisation and operation of the international Timeshare market (Mitchell, 1991). Since the data on the Matrix is not limited by national boundaries, beyond its utility in science or research, the Matrix can function in a supporting way to the development of entrepreneurial activity and it can be used as a tool assisting thus both official authorities and enterprises in their policy-making, strategic planning and decision-making (whether these are national tourism organisations or authorities engaging mainly in Timeshare). It can be a tool that helps interpret the past and the development of the product, but also affect future developments and changes in Timeshare.

THE METHODOLOGICAL APPROACH TO GENERATING THE STANDARDS-CHARACTERISTICS MATRIX

Scientific research is a procedure aiming at knowing and comprehending reality and searching for the causes and laws that define the course and evolution of a phenomenon. Especially applied research, in contradistinction to basic research, has a distinctively defined practical purpose and aims to the exploitation of its results (Kiochos, 1997). The research procedure chosen should be characterised by flexibility and adaptability, especially when there exists no initial, precise theoretical framework concerning the matter under investigation, but this comes to light gradually, following the collection and analysis of the data from the research procedure. Especially in the case where there are no previous, specific theoretical hypotheses but simply a general notional framework, the researcher must collect as much information as possible; and gradually, working in a critical and selective way, become oriented towards acquiring those pieces of information which will allow the formation of new notional categories. The course of the research is consequently defined only as regards its general framework and it is gradually adapted, in order for it to achieve its main goals (Kyriazi, 1998).

The aim of this chapter is to present the methodology adopted for generating the Timeshare's S-C Matrix. In the case of Timeshare, it was made clear already from the literature review that in order to gather, categorise and codify the material available from the international implementation of Timeshare, the use of the double entry tables methodology could, under certain conditions, be practical. For this reason, and in order to satisfy the goals of the specific research effort, a Matrix [S-C Matrix] was generated, which was shaped gradually as far as its content and scope are concerned and knowledge about Timeshare on the international level was collected and classified, using certain criteria and mainly via the appearance or absence of specific Characteristics in specific Standards.

It was thus de facto necessary to "construct" the research tool itself, which was to be used for the successful completion of this specific research effort, a Matrix which would be a double entry table, including the application, however, of a great number of criteria. These criteria are qualitative, they cannot be quantified, their homogenisation is difficult and they require descriptive and critical interpretation. This results in multiple possible interpretations for the "sums" that arise from the vertical and horizontal data on the columns and rows of the Matrix. The reason for the adoption of the S-C Matrix as the basic methodological tool was the "Tourism Consumption Market Structure Matrix", as generated and formed by Professor G. A. Zacharatos (Zacharatos, 1986).

The dominant Standards of Operational Implementation of Timeshare and their basic Characteristics have been gathered in the S-C Matrix. The term "Standards of Operational Implementation" includes the internationally adopted forms of Timeshare resulting from its practical application on the market. These Standards are the result of a combination of forces, the institutionalised rules of the implementation and



operation of Timeshare as established by the official national authorities on the one hand and the effects of the market and the efforts of the forces of demand and (mainly) supply on the other, as those form a viable and competitive product.

The term “Characteristics” includes a series of special elements that appear within the Standards, characterise them and define their form unambiguously. These Characteristics were grouped for methodological reasons and according to their content, into operational– functional and institutional– legal categories, aspiring to the encompassing approach of the product’s basic dimensions.

The first step towards generating the S-C Matrix was the literature review, the collection of literature resources consisting of research papers, books, studies, theses, conference minutes and brochures issued by businesses and various authorities. This material was examined and classified, in order to locate and record every case of integrated Implementation Standards of Timeshare that has ever been presented and implemented on the international market since the product’s appearance. During this specific stage of the study it was not examined whether or not these Standards were successful in their implementation in the market, since the interest was centred on locating every possible variation of Timeshare internationally. Because of the continuous effort of the international Timeshare market to enrich and differentiate the product offered, the Standards of Operational Implementation of Timeshare are, consequently, under continuous renewal and enrichment, mainly concerning their operational– functional Characteristics.

After locating and recording the Standards of Operational Implementation of Timeshare, a record of their main Characteristics was made, in order to acquire a complete “image” of every possible characteristic (operational- functional, institutional- legal) that these could present on an international level. The aim of this specific stage was to gather an as large as possible variety of Characteristics, independent of the Standards of Operational Implementation with which they appear, the degree of success or lack thereof these Standards exhibit and the country or countries of implementation.

Using the Standards of Operational Implementation of Timeshare pinpointed and recorded during the previous stages as a foundation, a selection of the most important among those was made by applying specific criteria. These criteria were: a) the Standard’s successful implementation in the market and its acceptance by it, b) the existence of sufficient documentation, theoretical (bibliographical) or empirical (originating in the market) and c) the existence of clearly defined Characteristics. For most of these Standards there was relevant legislation in existence, which defined their basic Characteristics, the rules of market operation and of course the relations between those subject to supply and demand.

Because of the great variety in the Standards of Operational Implementation of Timeshare and the fact that the same Standards were applied differentiated from one country to the other, there was an apparent need to have a specific definition of the “main”, commonly accepted and recognised Standards. This was done in contradistinction to those which are variations (“submodels”) and which appear mainly during the operational implementation of the Standards, i.e. those which appear with slightly modified Characteristics in the same or in other countries– markets. These “submodels” were not included, for methodological reasons, in the S-C Matrix.

After the finalisation of the choice of Standards to be integrated in the S-C Matrix, the choice of Characteristics to be included was made. The main criteria for the choice of these Characteristics were: a) the degree– frequency of appearance in the Standards included in the Matrix, b) unambiguousness and c) their importance– contribution to making the product, especially in matters of operation of the Standard and protection of the rights of the Timeshare owner. Characteristics which appeared in a limited number of Standards were excluded from the Matrix, as were, for methodological reasons, Characteristics which had no important contribution to forming the Standards or to defining the product’s particularities. Beyond the exploitation of the existing literature and in order to make the final choice of Characteristics to include in the Matrix, interviews with selected entrepreneurs and Timeshare owners took place, in order to pinpoint those Characteristics which would be evaluated as the most important in the product’s functioning on an international level. Therefore, the Standards were defined according to theory and literature along with a parallel empirical



investigation of what applies in practice in the international Timeshare market while the Characteristics were defined theoretically as much as empirically via the use of key informants.

CONCISE PRESENTATION OF THE STANDARDS– CHARACTERISTICS MATRIX

The S-C Matrix is a double entry table; placed horizontally are the Timeshare Standards that meet the prerequisites previously mentioned, while vertically we present those Characteristics that define each Standard and its peculiarities. Each cell contains information regarding a Standard and a specific characteristic of that Standard. It specifies whether the Standard has the specific characteristic or not, whereas it also proceeds to the recording, where needed, of the particularities this characteristic exhibits in the Standard in question. It is evident that it is impossible for every characteristic to appear with every Standard, or for accurate data to exist for every Standard and each of its possible Characteristics.

From the application of the methodology mentioned in the previous chapter, there ensued ten main, complete Standards of Operational Implementation of Timeshare on an international level. Each Standard can appear in the market under different terms, or with slightly modified Characteristics, depending on the country of its implementation; however, it bears a main core of Characteristics and attributes that allow its characterisation as an individual- self-existent- integrated Timeshare Standard. In the textbox below follows a brief presentation of these ten Standards of Operational Implementation of Timeshare on an international level.

Textbox 1

Main Standards of Operational Implementation of Timeshare

- Standard 1.** Timeshare in the form of a “Holiday Licence”– “Short Term Rental”
Standard 2. Timeshare in the form of “Timeshare Rental”- “Rentals for Periods of Time”
Standard 3. Timeshare in the form of a “Leasehold”
Standard 4. Timeshare in the form of “Timeshare Interest”
Standard 5. Timeshare in the form of a “Corporate or Company scheme” with “Equity finance”
Standard 6. Timeshare in the form of “Points for membership in a non-profit, usually Limited, Company or Club”, the case of Hapimag
Standard 7. Timeshare in the form of “Holiday Property Bond”
Standard 8. Timeshare in the form of a “Club Membership” or “Club System”
Standard 9. Timeshare in the form of “Club Trustee” or “Club Trustee with Point System”
Standard 10. Timeshare in the form of a “Multi ownership” or “Co-ownership” or “Split Ownership” (Stavrinoudis, 2006; Price Waterhouse Coopers, 2005; Stavrinoudis, 2004; Euthimiatou-Poulakou, 2003; Pantazis, 2003; O.T.E., 2001; Woods, 2001; Charles Cain & Co, 1998; Nash, 1997; W.T.O., 1996; R.C.I., 1995; Parish, 1993; Zacharatos et al, 1992; Themeli, 1992; Edmonds, 1991; Mintel, 1990; O.F.T., 1990; Kendrick, 1988; Paananen, 1984; Parpairis, 1984; informative material by R.C.I., A.R.D.A., Hapimag and Holiday Property Bond).

The main Standards of Operational Implementation of Timeshare are presented on the S-C Matrix according to their basic Characteristics. These Characteristics are organised in operational– functional and institutional- legal groups. More specifically, the **operational– functional Characteristics** include the ones that are on the one hand directly related to enterprises and Timeshare owners (practical and functional matters that stem from the product’s acquisition and the buyer practicing one’s rights) and on the other related to the basic parameters of the organisation of the product and the market. These Characteristics are presented in Textbox 2.

Textbox 2

Operational– Functional Characteristics of the main Standards of Operational Implementation of Timeshare

- Characteristic 1.** The granting of a permit, by the developer to the owner
Characteristic 2. The granting of a certificate to the owner
Characteristic 3. The acquisition, by the owner, of the right to use a room



- Characteristic 4.** The acquisition, by the owner, of Co-ownership or Joint ownership over the building. The realisation of allocation of the building
- Characteristic 5.** The owner’s capability to acquire property rights
- Characteristic 6.** The existence of property relationship, between the owner– buyer and the resort- room
- Characteristic 7.** The role of the trustee, in some cases serving as resort manager too, in protecting the owners’ rights
- Characteristic 8.** The type of resort affiliated in Timeshare
- Characteristic 9.** The return of the owner’s right to the developer after a period of time
- Characteristic 10.** The establishment of a company, which undertakes the ownership and management of the resort. The possession or not of company shares by the owner
- Characteristic 11.** The establishment of a non-profit company. The establishment of an association in order to manage the resort
- Characteristic 12.** The investment in shares and real estate by the owner, simultaneous with the purchase of Timeshare. The additional granting of a life insurance to the owner, simultaneous with the purchase of Timeshare
- Characteristic 13.** The managing of the resort
- Characteristic 14.** The manner in which the owner can “exploit” one’s right (e.g. transfer, sell, rent, bequeath, etc.)
- Characteristic 15.** The acquisition, by the owner, of the right to use other resort facilities
- Characteristic 16.** The Characteristics of the annual period (usually weeks) over which the owner can exercise one’s rights
- Characteristic 17.** The length of time (years) the owner acquires the rights for
- Characteristic 18.** The payment or not of a monetary sum, by the owner, for the resort’s management and maintenance. The payment of a fee each time the resort is used
- Characteristic 19.** The granting of an exchange possibility
- Characteristic 20.** The exercise of the owner’s right over a specific resort

The **institutional– legal Characteristics** place a special emphasis on the main institutional– legal parameters of Timeshare and on the manner in which the market’s operation is regulated by law and the owners’ and enterprises’ rights are protected.

Textbox 3
Institutional– Legal Characteristics of the main Standards of Operational Implementation of Timeshare

- Characteristic 21.** The existence of a legal agreement (short term residence rental or holiday licence) covering the owner’s rights
- Characteristic 22.** The relation between Timeshare and property law
- Characteristic 23.** The relation between Timeshare and private law
- Characteristic 24.** The relation between Timeshare and room rental
- Characteristic 25.** The relation between Timeshare and lease. The establishment of intermittent lease between developer and owner. Whether the owner’s right is an encumbrance on the real estate, which can be transferred
- Characteristic 26.** The acquisition, by the owner, of legal rights on the real estate on which the resort is constructed
- Characteristic 27.** The relation between Timeshare and real rights. The acquisition of real rights, by the owner, on the resort.
- Characteristic 28.** The existence of a document or contract during the acquisition of Timeshare
- Characteristic 29.** The relation between Timeshare acquisition and personal rights

It should be stressed that no absolute definition and grouping of the Characteristics is possible, as the same Characteristic can at the same time possess operational and institutional dimensions that hinder its classification. For this reason, a critical approach is required by the researcher, based on the methodology applied and the research goals that have been set. There is a typical excerpt of the S-C Matrix in the Appendix, concerning the presentation of a specific Characteristic across every Standard.



CONCLUSIONS FOLLOWING THE INITIAL FORMULATION AND APPLICATION OF THE STANDARDS- CHARACTERISTICS MATRIX

Useful and basic conclusions concerning the international application of Timeshare can be attained following the initial formulation and application of the S-C Matrix. More specifically, the product is in a constant effort of differentiation, in order to meet the continuously increasing needs of the demand for more short vacations, variety as far as the vacation type and, naturally, the vacation period are concerned. The result of this effort is the continuous creation of more flexible, higher quality and more independent Timeshare Standards (e.g. points-based vacation clubs, hotel vacations clubs, etc.). Moreover, during the last few years there has been important further evolution of the existing Standards (e.g. the owners are offered the possibility to convert their initial rights into points) (Cruz, 2000). In practice, the evolution of the Standards and by-Standards is continuous, as even specific Standards undergo differentiation from one time period to another, while it is possible that during the same period a different implementation is observed from one country to another. The great variety of the Standards of Operational Implementation of Timeshare is due to:

- the product's complex nature and possible variety of content
- the international expansion of Timeshare in a great number of countries on every continent
- the great effect the legislation applied between different countries has in matters such as the product's adoption, its development and the integration of enterprises within it
- the lack of unified regulations for the product's implementation, which should regulate entrepreneurial action and allow the exercise of control by the national authorities
- the great effect the supply, i.e. the Timeshare enterprises, have had in forming the product and its special Characteristics
- the constant effort made so that supply successfully meets the continuously increasing and differentiated demand for the product
- the enterprises' constant effort to offer a product that is as competitive and differentiated as possible
- the effort to link the operation of Timeshare with other products (vacation housing, life insurance, investment in stock and real estate, etc.)

On an international level, the provision by the developer to the owner of a permit granting the right to use the resort is not especially prevalent within the Standards of Operational Implementation of Timeshare. Almost in every Standard applied internationally, the owner receives a certificate which secures one's rights, whereas in cases where a certificate is not provided the owner's rights are safeguarded in another manner (e.g. by notary deed). The granting of a certificate is more prevalent in these Standards where the closer relation between owner and resort is attempted, via the development of a greater sense of ownership.

As provided by most Standards, the purchase of Timeshare offers the owner the right to use the resort, a fact which is the minimum benefit possible, whereas of course the owner enjoys also the right to use the facilities available at the resort, either with or without an additional charge. In a limited number of Standards more privileges are offered, by means of granting the right to own or jointly own them. On the contrary, the allocation of the resort's real estate among owners is not at all prevalent. In some Standards, where exercising the right is related to owning shares, the Timeshare buyer is given a sense of ownership via the possession of shares and the rights that stem from them.

It arises, from the international practice of Timeshare implementation, that within the framework of most Standards the participation of trustees is catalytic to the operation of the market, as they play the role of intermediary between owners and developers, in order to protect the rights of the former. Even in Standards where the presence of a trustee is not institutional and obligatory, their role is catalytic to the smooth operation of the market.

Internationally, resorts that have tourism utility can be integrated into Timeshare, whereas the introduction of resorts of the self-service type is very prevalent. It is not unusual, in some Standards, to integrate real estate that was meant as a secondary residence, and even residential complexes. In the majority of Standards, after the end of the time agreed upon for the owner to exercise one's rights, these rights return to the developer. The exception is those Standards where the purchase of Timeshare is connected to the acquisition of shares, a fact that allows the owner to retain the right for as long as one desires. The Standards that function via



the acquisition of shares and points are more complicated in their concept and implementation but also more flexible. In every case, the operation of Timeshare via a point system, where the owner can choose one's vacation based on one's available points and according to one's needs, is the dominant evolutionary tendency of the product on the international level.

The functioning of some Standards requires the establishment of a company that will attend to the resort's assets, while the establishment of a company in order to manage the resort or the assignment of this task to a specialised company is not out of the question. In the case where a company is established, it is very common internationally for it to be of a non-profit character, while it rarely is in the form of an association. It must be clarified that especially in exercising management duties, a great variety of possibilities and options has been recorded internationally, from their exercise by the developer to the assigning of the duties to a specialised company or even to the club that is established. The cases where the owner makes investments in shares or real estate by purchasing Timeshare are limited.

Most Standards offer the owner a great variety of choices in cases where one does not desire to exercise one's rights, either for a year or for a longer length of time. Among these choices we find the sale of the right, its rental, its transfer, etc. The granting, by specific Standards, of the possibility to guarantee the reacquisition of the right of owners who are no longer interested in keeping it, is of interest. All these choices aim at reducing the prospective buyer's feeling of insecurity and hesitation that the long period of time Timeshare is purchased for can cause.

The vast majority of Timeshare Standards implemented internationally cover the yearly diversification of the period the owner's right can be exercised, through the implementation of "floating" or "rotating" periods for the use of the resort. At the same time, the length of time the right is held for is explicitly defined, without excluding the provision of the possibility to renew it in some cases. In this Characteristic as well, the greater flexibility in exercising the owner's right is provided by Standards which operate in the form of point systems.

The international practice in the implementation of Timeshare gradually progresses towards creating products and Standards with a shorter duration (e.g. five years), products that allow the partial exercise of the owner's right for more but shorter periods per year, products that allow the exercise of the right with greater ease and to more destinations, products that offer a greater period of time for purchase (e.g. a month), etc. At the same time the specifications of the resort rooms are continuously improved and the expansion of Timeshare in areas with specialised tourism activities (e.g. golfing) is pursued.

Almost in all the Standards, the need to manage and maintain the resort is covered by the owners paying a separate fee. An important Characteristic of Timeshare acquisition, common among almost all Standards and countries, is the owner's capability to exchange one's right via one's participation in one of the international exchange companies. In very few cases, along with the rights the owner enjoys by one's participation in the exchange company, possibilities of "internal" exchange are offered, as a result of the efforts made by large companies that participate in Timeshare with many resorts in different destinations, which aim at reducing their dependence on exchange companies and exercising greater control over the product they offer. This phenomenon is intensified as the presence of the international hotel chains in Timeshare increases.

In the majority of Standards of Operational Implementation of Timeshare, the owner acquires the right over a specific resort. What is internationally recorded, however, in the case of enterprises that participate in the system by offering many resorts, is that the owner is offered the chance to acquire a right not over a specific resort, but to be able, under certain prerequisites, to exercise it by choosing freely between more resorts.

The legal dimension and status of Timeshare presents great diversification between different countries. There are Standards where the legal agreement to acquire Timeshare has the form of real estate rental (its length can vary among Standards), while the application of the legislation on real estate ownership is very common. It is self-evident that as far as Timeshare is concerned, the application of legislation concerning private law is



often the case, while in the majority of Standards the purchase of Timeshare does not entail the acquisition by the owner of real rights over the resort.

The admittedly important expansion of Timeshare internationally and its great geographical dispersion cannot in any case lead to the conclusion that the product faces no problems and has no weaknesses, some of which are due to its very nature and particularities. The special conditions that apply in each country and the development of Timeshare to different stages within each and every one of them have as a consequence the emergence of various problems. As a result of the exploitation of the S-C Matrix, it is possible to pinpoint the general and widely encountered problems and weaknesses of Timeshare on an international level. These problems are made more intense by the lack of a specific, clearly defined and generally accepted Standard of Operational Implementation of Timeshare. The great number of Standards internationally, does not allow the smooth functioning of the international Timeshare market on the one hand, and creates problems with controlling it on the other. These should be joined by problems of “compatibility” between enterprises, mainly resorts, difficulties in protecting the owners, especially those that purchase Timeshare in foreign countries, and the dependence of small resorts upon exchange companies and trustees.

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Appendix 1
Excerpt of the S-C Matrix

	1	2	3	4	5	6	7	8	9	10
STANDARDS	Holiday License – Short term Rental	Timeshare Rental – Rentals for periods of times	Leasehold	Timeshare Interest	Corporate or Company Scheme with Equity Finance	Points for Membership in a Non-profit Company or Club, e.g. Hapimag	Holiday Property Bond	Club Membership- Club System	Club Trustee - Club Trustee with Point System	Multi ownership - Co-ownership - Split ownership
.....
CHARACTERISTICS	The owner does not acquire property rights	The owner is not provided with property rights	The owner does not acquire property rights	Property rights are granted to the owner, of either limited or unlimited duration	The owner does not acquire property rights. The owner holds shares in the company established. Company assets are divided in shares which differ depending on length, period of use and resort characteristics. The owner exercises his rights via the shares he owns.	The owner holds shares and points and exercises one's rights based on those.	The owner does not acquire property rights.	The owner does not acquire property rights. The trustee owns the club's property rights.	The owner does not acquire property over the real estate.	It is unclear whether the owner acquires property over the real estate.
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