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Big Discounts for Those Who Will Listen

By CHRISTINE NEGRONI

WITH some frequency I receive marketing material on time shares inviting me to stay at a luxurious Florida resort for some ridiculously low price. These offers always seem too good to be true and I toss them in the trash. The most recent offer, from the Marriott hotel chain, came by mail and was followed by a phone call. Because I am a member of Marriott's frequent-guest program and, more significantly, I had just bought air tickets to take the family to Orlando to visit my mom in April, I said the words a telemarketer longs to hear: "Sure, I'm interested. Tell me more."

There was a catch. I would have to sit through a sales pitch designed to persuade me to actually buy a time share rather than freeloader in one. I was promised the pitch would last just 90 minutes. It sounded like a fair trade to me.

Our stay at the Marriott Grand Vista Resort in Orlando was, by any standard, a great deal. We had a beautiful and spacious two-bedroom, two-bathroom apartment with a fully equipped kitchen. My four children and the exchange student living with us swam in the pool, took their in-line skates around the property and passed their evenings playing air hockey and Ping-Pong with other children in three large game rooms.

Add \$100 worth of coupons we were given for tickets to the nearby theme parks, and we had a very affordable vacation at \$248 for the rooms. Not bad, we thought, for spending only an hour and a half of our time. Why doesn't everybody do this?

After all, the official position of the time-share-industry trade group is that minivacations and time-share premiums are there to be taken. It might have seemed like a secret to me, but Howard C. Nusbaum, the president of the American Resort Development Association, said that it was only a secret in that many people did not know how to take advantage of it.

We were feeling pretty smug until the last day of our stay, when it was time for my husband, Jim, and I to keep our end of the bargain. We were reluctant to tear ourselves away from the children, the pool and the sun to head inside for a sales presentation.

In the overly air-conditioned Marriott Vacation Club office, which offered child care and a continental breakfast, my husband and I were seated in front of a beautifully produced, but substantively barren, videotape showing a wide spectrum of vacationers enjoying themselves in an equally wide variety of settings. Then a chatty saleswoman, who said we should relax because there would be no high-pressure sales tactics from her, steered us through the pros -- and only the pros -- of buying a Marriott time share, repeating the benefits over and over.

In brief, a time share gives a buyer occupancy rights to a room or a suite of rooms at a resort for a predetermined period. Bigger rooms, multiple weeks and occupancy during the high season all increase the price. In this case, it was \$17,000 for the right to buy the same accommodations we had in Orlando for one week every year in the high season, every year for a lifetime.

"You with me?" the saleswoman asked after painstakingly explaining each point. "Are we on the same page?"

Her pitch was topped with the promise of 100,000 Marriott reward points, enough to give our family another high-end free vacation, if Jim and I signed on the dotted line then and there. But we couldn't take a day to think about it because those points were a now-or-never proposition. If we signed right away, we could use the time share this year. This requirement did not fall under her definition of a high-pressure tactic.

It's hard to blame her. Various travel-industry experts say that only 1 in 10 people who attend these presentations actually buy. "The highest level of interest someone is going to have is when they're there on the property," said Ed Kinney, the senior director of public relations at Marriott Vacation Club. "You want to make sure they don't lose that enthusiasm as they go away."

The American Resort Development Association estimates that the time-share industry has been growing 14 to 17 percent every year in the last decade, an easy figure to believe in Orlando, where construction cranes seem as ubiquitous as palm trees.

Mr. Kinney of Marriott said that his company's sales rate was better than 1 in 10, although he would not elaborate. Still, many people are like me, taking advantage of generous time-share previews with nary a thought beforehand to actually buying one.

Finding and then persuading people to take a look is an expensive undertaking. Sales brochures, personal interviews and preview tours add up to more than half the price of a time-share unit.

Having spent serious amounts of energy wooing potential buyers to their sites, sales representatives are reluctant to let them go after 90 minutes. Immediately after our saleswoman introduced herself, she warned us that the presentation could last longer if we asked questions. We did. Three and a half hours later, saying we needed more time to think, we said goodbye to our saleswoman, who was crestfallen. Numb and mentally exhausted, we were released into the Florida sunshine.

Did we really ask two hours of questions? No way. Presidential press conferences don't go on that long. Frankly, I had suspected all along that the promise of a presentation that would have us in and out in 90 minutes was unrealistically optimistic, leading me to wonder, what other details were they glossing over?

Was the 3 1/2-hour investment worth our free stay? Absolutely. For large families like mine, a time-share preview is a great opportunity to explore a different way of vacationing, and the one we enjoyed in Orlando offered a higher level of amenities than we were accustomed to, at far less expense. Carry that argument to its logical conclusion, and a time-share-buying family could emerge.

Developers know that many of the people they lure to their minivacations will go home without buying. They also know that the average time-share buyer attends two to three previews. So there is good reason to invite nonbuyers back. Which is exactly what happened to us.

We returned home to a message on our answering machine from Ramada Plaza Resorts, saying we had been selected to receive a dirt-cheap "romantic fun-filled Florida vacation," including a cruise.

For that, they can have me for five hours.

Mastering the Economics of Time Shares

THE saleswoman I encountered at the Marriott Vacation Club tried hard to convince me that "the only question you need to answer is whether you deserve this kind of vacation." In fact, there are many questions potential buyers should ask themselves, starting with a simple assessment of how they hope to benefit from the purchase of a time share.

Alan Ziobrowski, a professor of real estate at the J. Mack Robinson College of Business at Georgia State University, thinks time shares are good for people who vacation at the same place every year.

"On the assumption that you would go to that location and rent a similar quality property for that one or two weeks every year for the next 10 years," he said, "the answer is yes, they are good investments." He is skeptical about the practicality of buying a time share to trade for accommodations elsewhere, though during my visit at Marriott's Grande Vista in Orlando, Fla., I met families who had been doing that for years. Exchanging a time share, however, is not a free deal.

Besides the fee for an annual membership in a time-share exchange program, the price for processing a trade can cost \$79 to \$150 or more. And even the most enthusiastic proponents of vacation ownership admit there is no money to be made selling a time share. Loans are largely unavailable to buy time shares, so the market is limited to those who can buy with cash. "There are a lot of people who might buy if they could pay it off over six, seven or 10 years," Mr. Ziobrowski said, "but to ask them to come up with \$20,000 in cash, there aren't that many."

What is bad news for sellers is good news for buyers. Since resale time shares can sell for less than half the developer's price, and many are drastically discounted further, buyers can search classified ads, the Internet and online auction sites like eBay for time shares at cut-rate prices. Some sellers, eager not to pay annual maintenance fees that can run into hundreds of dollars, even donate their time shares to charities, which then auction them for pennies on the dollar.

Mark Silverman, a former time-share salesman who writes about the subject for The San Francisco Examiner, said that time shares should not be looked at as a way to make money. "Rather than an investment that will appreciate," he said, "a time

share is an investment in yourself that you will appreciate."

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Drawing (Guy Billout)