

The evolution and consolidation of the timeshare industry in a developing economy: The South African experience

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Abstract

The timeshare industry is one of most under-researched aspects of tourism accommodation. Within existing scholarship most writings pertain to industry development and challenges in the USA and Europe. This paper provides an examination of the evolution and consolidation of the timeshare industry in South Africa from the 1980s to the present-day. The South African timeshare industry is revealed as one of the most mature in the international timeshare economy. Historically, the industry confronted parallel challenges to those in developed countries in respect of adapting the product to local conditions and confronting a tarnished image from the impact of unscrupulous developers. Currently the South African timeshare sector faces different challenges including service management and consumer dissatisfaction, marginalization within the tourism economy, and the need to address the emerging Black middle class market.

Keywords: accommodation, recreation, timeshare industry, South Africa

Introduction

The provision of accommodation services represents an essential aspect of the overall tourism economy as by definition ‘tourists’ require the provision of some form of accommodation while away from their usual residential environment (Barrows and Powers, 2009). Indeed, so essential is the role played by the lodging or accommodation sector in tourism that Keller & Bieger (2008) suggest that the lack of such facilities may be considered to go so far as to undermine the sustainability of tourism in destinations. As compared to early lodging and accommodation products which were associated with mass tourism many current accommodation products and services have been differentiated to the point that they are much more flexible and cater better to the specific needs, wants or preferences of individual travellers (Timothy & Teye, 2009). Accordingly, no longer does one find in the lodging or accommodation sector a single type of standardized product that seeks to cater to or accommodate the widest possible number of consumer tastes and preferences. Instead, tourism firms have broken down consumer demands into a number of basic segments of specific consumer preferences and evolved products that seek to best cater directly to individuals within these segments (Berger & Chiofaro Jr., 2007; Deng, 2013).

The tourist accommodation sector can be considered to have undergone radical changes as new developments which relate to product segmentation have arrived. Whereas the initial tourism accommodation offering was limited or restricted to inns, boarding houses and standard hotels the range and number of different types of tourist accommodation offerings in recent decades has expanded rapidly. The hotel industry has come to offer a range and variety

of types from limited service and budget hotels, to full service hotels, all suite hotels, condo or apartment hotels, extended stay hotels, and boutique and lifestyle hotels (Barrows & Powers, 2009). Beyond the hotel sector a range of alternative types and varieties of tourist accommodation have also emerged and grown in significance within various tourism destinations. Timothy & Teye (2009) point to the range of new lodging phenomenon that are part of the modern tourism economy. These would include motels, bed and breakfasts, guest lodges, farm stays, youth or backpacker hostels, caravan parks, second homes and timeshare accommodation.

Within the global tourism industry the 'timeshare' sector represents a highly distinctive segment. Upchurch & Lashley (2006) argue that timeshare or vacation ownership is a relatively recent leisure phenomenon and addition to the different forms of tourism accommodation. Although its definition is contested the term timeshare refers essentially to the practice of dividing accommodation units into (usually) weekly increments or intervals and selling them to consumers. Hahm et al. (2007: 223) consider timeshare as "the right to purchase a specific time period in which a purchaser can use a unit within the timeshare resort at a geographical location of choice". According to Bakic et al. (2010: 18) the "main feature of the timeshare product is to ensure various consumers to own the capacities which in regular conditions, according to their income, they would not be able to afford". The timeshare segment is widely considered one of the most rapidly growing components of the global tourism economy. Notwithstanding its rise in importance timeshare tourism accommodation has not attracted the amount of detailed scholarly attention that has been devoted to other forms of tourism accommodation, such as hotels, second homes or small-scale forms of accommodation such as guest houses.

Aims, Methods and Structure

The aim in this article is to analyse the evolution and consolidation challenges of timeshare accommodation in an emerging economy, namely South Africa, which has one of the most mature timeshare industries in the developing world. Situating this study within the urban research challenges facing South Africa the paper must be viewed as a response to the call made by Visser (2013) for urban contributions that look beyond the poor in the country's cities in that it examines the growth of recreational spaces for the country's middle to high-income populations. Indeed, to a large extent, these communities have fallen off the agenda of South African urban scholars, especially of urban geographers in the post-apartheid period (Visser, 2003a).

Over the past decade several studies have examined the growth and changing character of the accommodation sector as part of the development of the tourism economy in South Africa. The radical transformation that has occurred in the South African hotel sector in the post-apartheid period, including the appearance of new segmented forms of hotel development (boutique hotels, all suite hotels, limited service hotels) has been subject of an array of investigations (Rogerson, 2010, 2011a, 2011b; Rogerson & Kotze, 2011; Rogerson, 2012a, 2012b, 2013a, 2013b, 2013c, 2013d, 2013e). At the opposite end of the accommodation spectrum there has been a burst of research around second homes tourism and of the local development implications of recreational second home development particularly for South African small towns (Hoogendoorn et al., 2005, 2009; Hoogendoorn & Visser, 2010a, 2010b; Baker & Mearns, 2011; Hoogendoorn & Visser, 2011). Other accommodation focussed research in South Africa has included works on backpacker accommodation, homestays, guest houses, the conventional bed and breakfast sector and the distinctive bed and breakfast economy of South African townships (Visser & Van Huyssteen, 1997, 1999; Visser, 2003b; Nuntsu et al. 2004; Rogerson, 2004, 2007). Within a comparative context, the timeshare industry has been a relatively undocumented component of the

dynamic changes occurring within the South African accommodation sector particularly since the country's re-insertion into the global tourism economy (Rogerson & Rogerson, 2011; Rogerson & Visser, 2011; Visser & Hoogendoorn, 2011).

In terms of methods, mixed research approaches were applied. In light of the fact that the focus is to examine the development of the timeshare industry and timeshare resorts in South Africa over a thirty year time span, a number of different research approaches were used. The discussion and analysis is based upon the following research approaches and sources. First, the detailed historical collection of industry source material and financial press reports relating to timeshare developments. Second, industry source material was tracked in terms of documentary material. Three, considerable use was made of the search of internet sites of the major organizations which are involved in timeshare development and timeshare exchange, most notably, Resort Condominiums International (RCI), Interval International, Vacation Ownership Association of Southern Africa (VOASA), the American Resort Development Association (ARDA), Southern Sun, and Marriott Vacation Club International. Four, semi-structured interviews were conducted with key local stakeholders in the timeshare economy.

Concerning organization and structure, the remainder of this paper is ordered in three additional sections of material. First, the concept of timeshare is defined and grounded within the broader accommodation spectrum for tourists. Second, existing trends in international research on timeshare are briefly reviewed with the knowledge gap identified about research on timeshare in the developing world. It is against this background that the growth and evolution of South Africa's timeshare industry is examined. In addition, key trends in the evolving challenges facing the development of timeshare accommodation in contemporary South Africa are discussed. The central focus here is on questions around the evolution and change of the timeshare sector in the country.

Timeshare Defined and Debated

Arguably, as Upchurch & Gruber (2002: 212) maintain, researchers at the outset must appreciate that "the timeshare product is drastically different from traditional lodging accommodation products due to various complexities that surround the timeshare product from legal, consumer usage and product perspectives". Indeed, to some extent, the accepted definition of timeshare has shifted over time. An attempt is made here to locate an appropriate and working definition of timeshare as part of a broader spectrum of tourist accommodation which has at one end the notion of second homes and, at the other end, the hotel.

Since its origins in the 1960s the central notion of timesharing diffused rapidly and this dynamism itself poses significant challenges to researchers attempting to define timeshare. Hovey (2002: 141) considers timeshare as "the general name for the purchase of a condominium in a shared recreational resort for a prescribed interval of time". By contrast, Upchurch & Gruber (2002: 211) style it as "the purchase of a luxury vacation home in increments of weeks or more by a number of buyers". The rapid spread and metamorphosis of timeshare as a product option has meant that the validity of certain definitions is time-dependent or appropriate only for a particular period of time. Sharma & Chowdhary (2012: 111) prefer to describe the timeshare product simply as "unique but complex". In unpacking the literature that has been produced on the subject over time, it is made apparent that the timeshare concept has radically changed and evolved since the product's inception in the early 1960s (Upchurch, 2002). Attempts to position timeshare within the broader realm of tourism and lodging literature are made problematic as the concept of timeshare not only represents a recognized and established product which is at one level uniquely located within the lodging sector itself (Ladki et al., 2011) but is also a core strategy or concept that has been absorbed and adapted by a range of other accommodation types located across the lodging spectrum (Bacon, 2010). The key challenge derives from the fact that all the evolving

adaptations or mutations of timeshare are classified under the same broad headings or umbrella variously as 'timeshare', 'timesharing' or 'shared vacation ownership' (Nabawanuka & Lee, 2009).

As a whole the timeshare accommodation segment or product offering relates directly to the concept of 'timesharing'. Although timeshare can be considered a purely commercial concept it is contended that the term 'timesharing' refers more specifically to an approach to property development and property law (Van der Merwe, 2010). This form of property development essentially involves that of a single unit of property being sub-divided and sold to more than one person, a sub-division of land that amounts to what legal scholars refer to as the fourth dimension of property ownership. Indeed, Van der Merwe (2010: 7) notes that from a legal perspective: "Initially, ownership of land was two-dimensional, being measured horizontally on a diagram. The third dimension height, was added with the advent of sectional titles, permitting ownership of a section of building without that section being directly attached to land. This has been characterised by some writers as the ownership of airspace within the structure. Time-sharing envisages the ownership of time, thus adding a fourth dimension".

At its most basic level, therefore, the concept of timesharing refers to the idea that anytime a single indivisible unit or object is sold to more than one person then essentially what is occurring is selling the right of usage to the object by way of time (Lee, 2003). Within the context of the lodging industry, this relates to selling the right to co-own or at least occupy a vacation property of some form at regular intervals, usually for at least once a year. Cesaret et al. (2013) clarify that the horizon of ownership of an annual timeshare block of time can vary from a few years to an indefinite period. For the purposes of this analysis, the concept of 'timeshare' is thus best conceived as a commercial tourism lodging offering or product which affords access to accommodation and a range of related lodging services for a set period of usually no more than four weeks a year after purchase (Goetz, 2011). This particular definition is close to the legal definition which is preferred by Upchurch & Gruber (2002: 212) that timeshare "is the right-to-use vacation accommodations and facilities for a stated period of time each year over a certain number of years". In essence, therefore, timeshare is considered to represent a commercial tourism and lodging product, while timesharing denotes the legal manner in which property is divided for the purpose of such actions as the sale of timeshare (Van der Merwe, 2010). Such a distinction is pertinent because, whilst the commercial product of timeshare was the first to come out of the action of timesharing, numerous other products, such as fractional ownership property developments and private residence clubs, subsequently have emerged. Alongside timeshare, these newer products are also marketed as separate commercial products, albeit operating under the common legal and property mechanisms which are associated with timesharing (Woods, 2001). The term 'shared vacation ownership' is often applied to describe collectively the time-sharing products of timeshare, fractional ownership, and private residence clubs. It is important to note that while the central concept and products involving timeshare remain similar for consumers the actual product may vary as property rights and legal structures differ between countries (Warnken & Guilding, 2008).

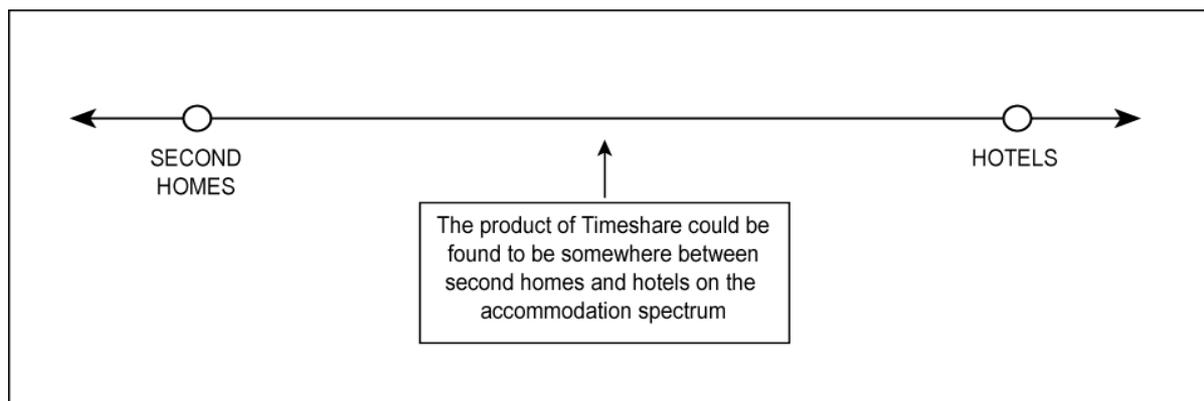


Figure 1: The Accommodation Spectrum (Source: Adapted after Upchurch and Gruber, 2002)

In situating the timeshare product within the accommodation spectrum a useful start point is the work of Upchurch & Gruber (2002). These authors conceptualize the existence of a spectrum of tourism lodging or accommodation with at one end a one night stay at a hotel at a minimum price. With increases in length of stay different hotel products exist and at higher prices. Next, there is the timeshare product of a set duration for a much longer period of time for a higher price. Further, there is the “co-tenant ownership of a condominium unit or a second home, such as a beach condo, split between several people for a perpetual duration and a higher price” (Upchurch & Gruber, 2002: 212). Finally, at the opposite end of the spectrum to hotels is considered to be the position of wholly owned second homes.

International Research Trends on Timeshare Industry

The task in this section is to offer an overview of work on timeshare and identify the key issues which have emerged in research relating to the timeshare industry. Overall, it will be argued that the timeshare sector has attracted only a relatively small number of scholarly investigations which have ranged over a number of different themes concerning the development and, in particular, the management of timeshare operations. Of special note are the gaps in research relating to timeshare and the wider tourism economy in the global South. Relative to other forms of tourism accommodation as reviewed by Timothy & Teye (2009), timeshare is a Cinderella segment as it has failed to attract a substantial base of writings across a range of different issues. One critical assessment of the existing state of the art of scholarship on timeshare is forwarded by Zacharatos & Stavrinoudis (2009). In the opinion of these authors: “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” (Zacharatos & Stavrinoudis, 2009: 3).

Timeshare as an accommodation product option has been around since the 1960s. From the 1970s there occurred an era of rapid and significant expansion internationally of timeshare developments (Terry, 1994a, 1994b; Hitchcock, 2001). Importantly, over time, the timeshare product evolved in order to remain relevant to changing consumer tastes, the growth of segmented markets and accelerating segmentation of tourism accommodation products as a whole. This innovation and change of the product over time has been one of the drivers of continual dynamism in the timeshare industry. Haylock (1994a, 1994b), Upchurch & Gruber (2002) and Powanga & Powanga (2008) demonstrate that as an accommodation product timeshare has increasingly evolved and influenced shifts in the broader lodging sector within which it is located. Currently timeshare as a product can be found throughout the world in a variety of forms from single holiday flats, luxury condominiums, hotel destination resorts, mixed resorts, and single urban tourist hotels, to cruise ships, boats, villas, yachts and

exclusive five star apartments (Kaufman et al., 2006). From precarious beginnings timeshare has emerged as a profitable and dynamic branch of property development and several international corporations have branded the timeshare industry with their expanding scope of development and long-term business planning (Deng, 2013).

Arguably, the mass of existing timeshare research concentrates upon various questions relating to consumer behavior, service quality and especially of the marketing of timeshare (Chiang, 2001; Crofts et al. 2005; Gregory, 2013). In addition, issues of consumer satisfaction with timeshare are another critical theme (see Weaver & Lawton, 1998; Bradley & Sparks, 2012). For example, Pollard (2010) establishes a model using factor analysis and structural equation modeling to investigate the relationships between service quality, word-of-mouth recommendation and price sensitivity of individuals who undertook a timeshare holiday at a branded timeshare resort. The emphasis upon these themes is in part a reflection of the fact that researchers are responding to the core needs of the industry in terms of boosting sales of the timeshare product and more recently of understanding consumer decisions to rescind purchase of a timeshare (Rezak, 2002; Sparks et al., 2014). In addition, this heavy focus on marketing reflects also the negative feelings that consumers internationally often have associated with timeshare because of the dubious selling practices of companies which have tainted the industry as a whole. This stress upon timeshare marketing issues and of building “consumer acceptance” issues essentially highlights that for the industry “the historically questionable image of the product” is a matter of “high concern” (Stringam, 2010: 38).

The development of new market segments or niches for marketing the timeshare product has been another facet of improved marketing for timeshare sales in developed countries where there is much attention to seniors (Kaufman et al., 2006). In addition to marketing issues another important and overlapping cluster of work around timeshare relates to the management of timeshare resorts (Upchurch & Lashley, 2006). Within this literature, the major perspective is that of hospitality management and of addressing managerial or service-related issues around timeshare developments. Central issues for timeshare resort management include improved understanding of the vacation owner; improvement and use of resort amenities, and human resource development issues (Hicks & Walker, 2006). Within this cluster of work, research studies exist on a range of issues such as the operational management of timeshare, including resort management, resort amenities and their utilization by product owners, and human resources. Another theme is “industry analysis” or synopsis (Crofts & Ragatz, 1998; Brey et al., 2007). Several studies provide general overviews of the timeshare industry as a growing segment of interest in particular countries or regions of the world. Most of this type of published academic studies focuses on the USA and Europe, the two biggest consumer markets. Other work exists for Australia, Singapore, China and parts of the Caribbean.

Finally, other issues that have attracted the gaze of timeshare scholars include *inter alia*, timeshare governance, the role of hotel owners in entering the sector, the position of timeshare in tourism planning and the development of RCI as innovators in vacation exchange (Singh & Hurwitz, 2006). Cortés-Jiménez et al. (2012: 155) maintain that as a whole the “academic literature on the timeshare industry, although relatively scarce, has progressed”. One concern, however, is the marked geographical unevenness in existing scholarship around timeshare with most academic works focused on the USA and Europe. By contrast, what is evident is the neglect of studies of timeshare in the developing world.

South Africa’s Timeshare Industry: Growth and Evolution

In an international examination of the position of the country in the global economy of timeshare it was shown that South Africa is one of the most important locations for timeshare in the developing world and certainly is the most important in sub-Saharan Africa (Pandy &

Rogerson, 2013a). The timeshare industry in South Africa has an evolutionary development history that spans 35 years. Indeed, in the international context of timeshare developments South Africa is one of the pioneers or early originators of timeshare resorts.

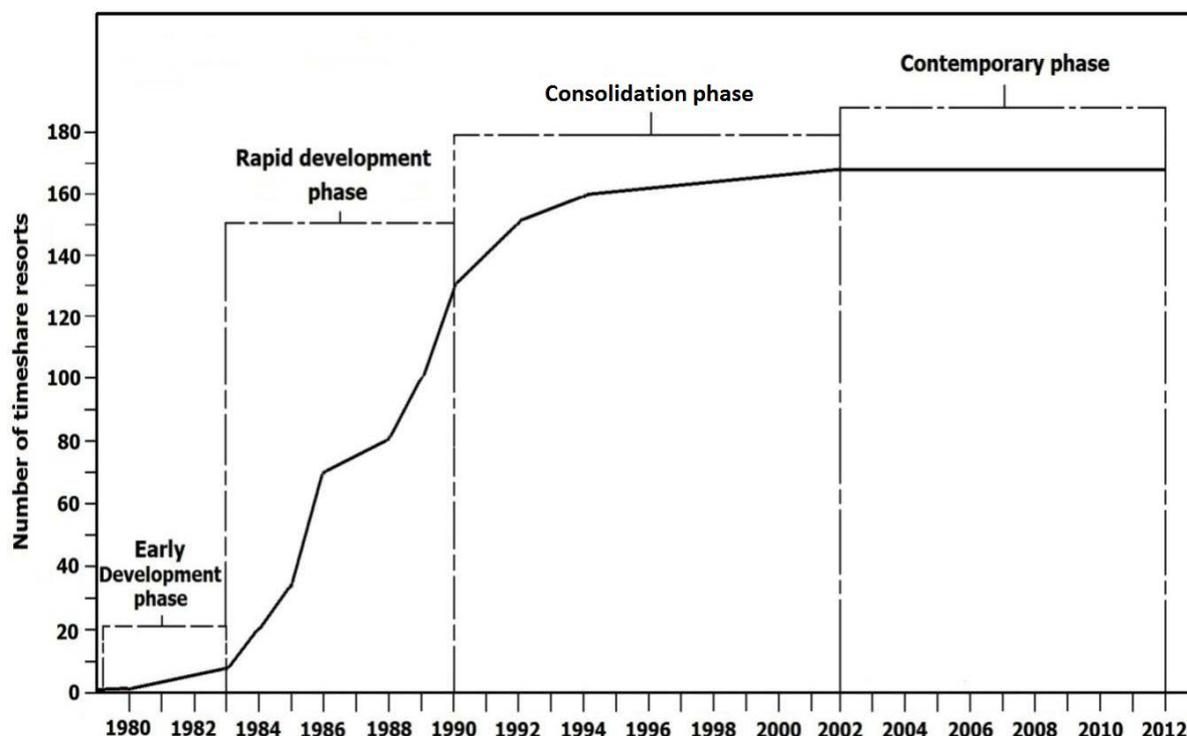


Figure 2: Timeshare development in South Africa, 1978 to 2012 (Source: Authors)

The origins of the South African timeshare industry are revealed as traceable back to the apartheid period of the late 1970s and early 1980s. In understanding that evolution it is useful to periodise the industry development in South Africa into four phases. The periodization which is shown on Figure 2 is based upon the numbers of timeshare resorts which were initiated at various times. It is evident that in the three decades spanned by this investigation a total of 160 timeshare resorts have been constructed in South Africa. Bursts of growth have occurred at certain periods followed by periods of slower growth or stagnation. First, there is an early development phase when the industry was founded and the first resorts established from 1978 to 1982. Second, there is a rapid development phase stretching from 1982 to 1990 marking the period of the greatest expansion of timeshare resorts in South Africa. Three, there is a consolidation phase from 1990 to 2002 which is denoted by a period of industry reorganisation and slow expansion. Finally, there is the contemporary phase of industry development from 2002 marked by restructuring and no new resort development taking place.

The period 1978 to 1982 was identified as setting the foundations for the early development of timeshare in South Africa including the key developments and central trends that would see the timeshare product in South Africa accepted and allow further growth (Pandy & Rogerson, 2013b). With these foundations in place, the period 1982 to 1990 is considered as one of a rapid expansion for the industry. This was a vibrant phase in which much new development took place, albeit with the emergence of a number of critical issues which the industry was forced to address in order that yet further development might occur. The period from the early 1990s to 2002 is characterized by industry consolidation and a slowing pace of development. Overall, this period from 1978 to 2002, a period of almost a

quarter century, was critical to understanding timeshare development in South Africa. Within this period the timeshare industry of South Africa showed many of the problems that have impacted upon timeshare in other parts of the world. In particular, issues of the self-inflicted wounds around unscrupulous developers, financial instability, and dubious high pressure marketing were in evidence. The industry was compelled to address its tarnished image such that extended development might take place (Pandy, 2013).

During the period of timeshare's establishment in South Africa it is evidenced that the timeshare product was significantly shaped to suit local tourism needs (Pandy & Rogerson, 2013b). In particular, the South African timeshare product was oriented away from the international norm of holiday flats and condominium complexes and instead firmly associated with hotels, lodges, and luxury resorts along with a range of other tourist based accommodation. The analysis shows that the timeshare industry's focus and general structure or composition continuously changed as the product of timeshare in South Africa evolved through various phases of growth and development. The target consumer market for the early timeshare developments was the white urban-based consumer as under apartheid segregation policies such products could not be sold to potential Black purchasers. During the early development phase of timeshare in South Africa from 1978 to 1982 the product was effectively shaped by a small number of large property developers (Pandy & Rogerson, 2013b). The original product was demonstrated as limited and inflexible, taking the form of fixed weeks which were sold to consumers for a particular unit in a timeshare complex or development on a sectional title basis. At the time as access to the product was achieved specifically through the ownership of property this product could be described as a variant of traditional second homes with the product originally targeting the second homes market before shifting to focus instead more on those consumers who could not afford a traditional second home.

In terms of innovation, the early timeshare product in South Africa was adapted to suit a wide range of tourist accommodation types, with hotels in particular being the target of such product development or conversion. The Southern Sun hotel group was responsible for successfully attaching hotels to the timeshare product in South Africa ahead of such developments which later occurred in the timeshare industry of the USA (Pandy, 2013). It is observed also that during its early development stage, the flexibility of the timeshare product and the industry's image in general was boosted by the arrival of RCI, the world largest international timeshare exchange company.

A critical finding is that during the timeshare industry's phase of rapid growth between 1983 and 1990 a large number of developers sought to enter the timeshare industry in South Africa seeing it as a more profitable sphere for property investment than the construction of hotel properties (Pandy, 2013). Many of these developers were shown, however, as ill equipped, inexperienced and undercapitalized. With negative outcomes these developers precipitated the first steps towards industry regulation, initially through the industry representative body of South African Property Owners Association. The launch of amended property legislation such as the Amended Share Block Controls Act was viewed as crucial in moving the timeshare product away from that of property ownership under sectional title, to instead being share block based, where the right-to-use accommodation for a stipulated period was prevalent. This underpinning legal and structural change served to make the sales product more flexible with the development of flexi-week timeshare schemes, whereby with the right-to-use accommodation, timeshare purchasers were no longer tied to a specific unit of accommodation in the same week every year. This flexi-week timeshare sales product, innovated in South Africa was subsequently copied and adapted to timeshare developments in many other parts of the world. One observed trend in South African timeshare which replicated the United States experience was, however, the documented tarnishing of the image

of timeshare in the 1980s and 1990s by the unscrupulous activities of certain fly-by-night developers and by marketing scams (Pandy, 2013).

Of note in South Africa as compared to the international record was the stance of national government towards timeshare in the period when it saw the conversion of hotel accommodation to timeshare as a threat to national planning for tourism promotion geared to international as opposed to domestic tourism. Arguably, the essential contours and characteristics of the timeshare industry in South Africa were established in this period 1978 to 2002. By 2002, the essential outlines of the contemporary industry were etched firmly on the South African tourism landscape, including the geography of timeshare development. In terms of international experience the South African record confirms the central role of locations with high amenity value for timeshare development (Pandy & Rogerson, 2013a). From its inception to 2002 the coastal areas of Natal and in particular around Durban emerged and consolidated as the strongest cluster for timeshare resorts. Later development included coastal beach areas elsewhere in South Africa but extended the spatial distribution of resorts to inland locations to tap the attractions of natural beauty, safari, bush and gambling. This geographical pattern of supply of timeshare accommodation was shown as targeted overwhelmingly at the white domestic tourism market and spatially focused upon the national economic heartland of the cities of modern Gauteng, most importantly, of Johannesburg, South Africa's most economically dynamic city (Pandy & Rogerson, 2013a).

Timeshare Consolidation Challenges

It is evident that the period from 2002 showed that, given the changes and expansion taking place in the wider tourism economy of South Africa, this period for the timeshare industry has been one of only limited growth and new resort property development. Within South Africa's tourism economy and its focus on international tourism expansion since 1994, the timeshare industry has been reduced in significance and, to some extent, becoming a marginal player in the national tourism system. The analysis of the current situation of the timeshare industry, however, confirms that shared vacation accommodation as offered by timeshare developments continues to be a critical facet of the domestic tourism economy in South Africa (Grant Thornton, 2012). Although the number of resorts and geography of resort development remained unchanged the contemporary period of development of the timeshare industry in South Africa is marked by considerable change in industry structure and institutional development. It was shown that whilst this period was marked by no new resort development important directional shifts have been taking place in the South African timeshare industry, most notably as the industry moved from focussing largely on selling the product to achieving sales through the delivery of a strong product that is more service-focused (Pandy & Rogerson, 2013c). The emergence of timeshare points systems and the strengthening of the role of holiday clubs have been pivotal events for restructuring the industry through a more flexible shared vacation product. The South African timeshare industry became increasingly under the control of the timeshare based holiday clubs, which control the majority of timeshare accommodation weeks and development complexes.

At least three core sets of challenges confront the contemporary timeshare industry in South Africa (Pandy & Rogerson, 2013c). These relate to issues around service management and consumer dissatisfaction with the timeshare product; the question of market extension and retention; and, the trend towards the increasing marginalization of the timeshare industry within the changing South African tourism economy as a whole. It is evident that the timeshare industry in South Africa must address identified issues of consumer concern which are causing dissatisfaction and resulting in rising levels of disinterest and foreclosures around the timeshare product. An enhanced focus on service management is considered essential for dealing with this first challenge and retaining existing consumers as part of the timeshare

market. The limitations of the existing market were highlighted as a further challenge for the industry (Grant Thornton, 2012). The traditional white domestic tourism market is no longer offering a source of expansion and sales growth for the timeshare industry. Moreover, the cohort of existing timeshare owners is ageing. Accordingly, for looking towards future development new consumer markets must be tapped. As international sales of timeshare for South Africa are small (Pandy & Rogerson, 2013a), the critical market challenge is to expand the involvement of black consumers for the timeshare product. Nevertheless, at present, the industry has yet to find a solution to the limited interest of the emerging South African black middle class in purchasing timeshare development. This situation is in part a legacy of the dismal marketing practices which were targeted at the black consumer market during the 1990s after the scrapping of the Group Areas Act which had been a pillar of segregation policies.

The final issue is that the timeshare industry has decreased in relative importance in the tourism economy of South Africa. In the industry's heady growth phase of the 1980s timeshare was a vibrant part of the country's expanding domestic tourism economy which itself was a driver of national tourism development at the time of sanctions and international boycotts on South Africa (Pandy, 2013). The industry's prominence was highlighted particularly by government concern in the 1980s that the continued conversion of hotels to timeshare accommodation posed a threat to tourism promotion for international visitors. In the changed global environment of the 1990s as South Africa promoted international rather than domestic tourism major opportunities arose for growth in the tourism accommodation economy. These new market opportunities have been mainly taken up, however, by non-timeshare accommodation. The diminished role of timeshare is particularly so, especially if compared to the burst of new property developments in the hotel industry as well as appearance or growth of a range of other forms of tourism accommodation, including second homes and small-scale forms of accommodation such as bed and breakfasts, homestays, backpacker hostels and guest houses (see Hoogendoorn et al. 2005; Hoogendoorn & Visser, 2010a, 2010b, 2011; Rogerson, 2010, 2011a, 2011b, 2012a, 2013b, 2013c, 2013d, 2013e). Indeed, it is argued that the remarkable post-1994 expansion of the hotel industry, the surge of new bed and breakfast and guest house accommodation, the growth in the market for second homes tourism and the rise of backpacker hostels have all combined to push timeshare downwards in relative importance in the provision of accommodation for tourists. The marginalisation of the timeshare industry in South Africa is reflected in its minimal involvement in the 2010 FIFA World Cup and national government's lack of interest in the industry despite a renewed policy focus upon stimulating domestic tourism.

Conclusion

The timeshare industry is one of the least researched segments of tourism accommodation. In the existing international scholarship most writings concentrate on marketing, consumer behaviour and management issues. In geographical focus most material relates to timeshare developments and the industry in either North America or Western Europe, the two leading regions for timeshare in the world. Outside of these areas minimal research has been undertaken on timeshare. This research provides a contribution to the limited body of literature and knowledge concerning the organisation and management challenges of the timeshare industry in developing world. The South African case is of particular interest as it represents one of the largest timeshare industries outside of Europe and North America. The industry emerged in the period of late apartheid and was anchored on the urban white South African consumer market. In the post-apartheid period the industry is struggling to become relevant to a rising group of urban Black middle class consumers.

Overall this investigation is distinguished by its use of a longitudinal analysis of the country's timeshare industry and thus contributes to international scholarship on the timeshare as one of the first of its kind which is conducted to understand the evolution of the industry in an important timeshare destination within the global South. Our findings disclose both the shifting trajectory of development of the timeshare industry in an emerging economy and the significant role assumed by South Africa within the global economy of the timeshare industry.

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