

Grounds for Camping

Coast to Coast President Advocates RV Component for Mixed-Use Development

By Bruce Hoster

Tough economic times require that we look for every opportunity to generate additional revenue, maximize existing facilities and amenities, reduce expenses, or all of the above. For a timeshare resort, adding an RV camping component as part of the product mix may be the answer to accomplishing all these objectives.

Membership camping has been around for more than four decades and, in fact, created the American Land Development Association (which later became what we all know today as the American Resort Development Association, or ARDA). The industry currently includes some 250 resorts and an estimated 450,000 members throughout the continental United States and Canada.

Camping has grown to be the fourth most popular participatory sport activity in the United States, according to the U.S. Census Bureau. Part of that popularity is due to the fact that it's one of the few ways people can "get away from it all" to enjoy natural surroundings. Campgrounds today play an increasingly important role in providing a safe, quiet, and restful haven that answers the needs for families to enjoy quality time together. Proof of the pastime's desirability is the fact that the campground business sector remained strong through the recent recession, with many park owners actually reporting an increase in business.

A New Sales Stream

Private-membership campgrounds are essentially the country clubs of the camping world: Individuals pay an initiation fee to join — typically US\$6,000 to US\$14,000. They also pay an annual maintenance fee of US\$400 on average. The private campgrounds offer a higher-quality experience in a resort-like atmosphere. These parks typically contain a greater number of amenities, more extensive park facilities, and a richer activities program.

Why should membership camping appeal to timeshare developers? It can complement the existing product mix and:

- Create a new sales revenue stream
- Target a wider audience of prospects
- Spread sales and marketing costs over two products, effectively lowering cost per tour
- Provide a lower-cost product to attract a wider range of buyers
- Help sell more timesharing, as members refer non-RV-owner family and friends who want to become owners at the same resort

Currently, mixed-use properties offer a way to share common amenities between a hotel and vacation ownership accommodations, thereby saving costs. Consider that coupling timesharing with camping could be a new way to think of a mixed-use property. And factoring in the relatively low capital investment required for the campground component, today's tough credit markets might favor the initial development of a membership campground with an eye toward adding timeshare condominiums as the financial climate improves.

Trend Toward Upscale "Glamping"

For anyone who believes that camping is too low-end to be paired with vacation ownership, take a look at what Bluegreen Corporation has done with Shenandoah Crossing Resort in Virginia. Presidential RV sites at this resort come complete with an outdoor kitchen, patio, table, upscale landscaping, privacy fences, and even a private hot tub housed in its own gazebo. Bluegreen understands the trend toward glamour camping, or "glamping," that is taking place among the Baby Boomer generation. Boomers want to enjoy the great outdoors, but want to take their "toys" with them and stay connected via wireless Internet and cable TV. Catering to this same trend, high-end recreational vehicles have become more sophisticated — with granite countertops, flat-screen TVs, and multiple slideouts to increase square footage — as have the resort areas that have become their destinations.

Membership campground resorts have also added cabins and park models to their product mix to attract consumers who want to enjoy the outdoors but don't own an RV. In fact, the cabin segment of the market has shown the most growth in recent years and is projected to continue this trend.

Valuing Value

A large part of the attraction in membership camping is the fact that RV vacationing represents a great value. According to the 2008 vacation-cost comparison study prepared by PKF Consulting of Alexandria, Virginia, a

family of four could save 27 to 61 percent on vacation costs by traveling in a recreational vehicle, after factoring in ownership costs and fuel. Even with high fuel prices, more than 80 percent of RV owners say their vacations cost less than other forms of vacation.

Membership camping is also benefiting from the trend for consumers to take shorter trips and stay closer to home. Research shows that RV vacationers are spending more time enjoying campgrounds and less time on the road to save fuel and stay closer to home. As owners overwhelmingly indicate in recent surveys, their recreational vehicles make it easier to take more-frequent weekend getaways or mini-vacations that accommodate busy family schedules.

Changing demographics and explosive growth within the RV market over the last decade provide more than sufficient reason to expect consumer interest in RV travel and camping to escalate in the years to come. This will create a means for market expansion as Baby Boomers who purchase recreational vehicles seek the type of experience that is only offered by a membership camping resort. Those who understand this will capitalize on the glamping trend. Based on the prospect of market growth, vacation ownership developers have an avenue to expand sales and new entrants to capitalize on this investment opportunity. Indeed, the membership camping industry appears poised for a renaissance. ■

See page 2 for currency conversions.



About Bruce Hoster and Coast to Coast

Bruce Hoster is president of Coast to Coast. Founded in 1972, Coast to Coast is the premier reciprocal-use network

for membership camping. Coast to Coast provides member owners with the use of hundreds of quality RV resorts across the North American continent when they travel away from their home resort. Coast to Coast also offers a host of other top-quality travel benefits through a long-standing partnership with Interval International. Coast to Coast is a division of Affinity, the leader in outdoor recreation providing a variety of clubs, services, media, and events to serve the RV and outdoor-enthusiasts market. For developers, Coast to Coast presents a wide range of products, as well as complete sales and marketing support for the sales process. Utilizing Affinity's database of nearly 6 million RV owners and outdoor enthusiasts, Coast to Coast can offer one-of-a-kind help to target potential buyers in any U.S. or Canadian market.

To learn more, Coast to Coast's "A Prospectus for Developers on the Opportunity in Membership Camping" contains an overview of the market, sample pro formas, an explanation of the role of Coast to Coast, and guidelines on how to get started. For a free copy, please contact Bruce Hoster at 303.728.7328 or BHoster@affinitygroup.com.