

RCI



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ECONOMIC CLIMATE IN GREECE

QUOTE: WE HAVE FOUND THE MOST EFFECTIVE MARKETING ROUTE TO BE MEETING PEOPLE AT THE SHOPPING MALLS. **MOHANNAD SHARAFUDDIN**

BANKING ON DUBAI

Timeshare is said to perform well in a recession, but few people anticipated the depth of the economic crisis of recent years and few could have expected to weather the storm in an emerging market. **SARAH LEE** discovers how one company has beaten the crisis to emerge stronger.

JUST a few years ago Dubai seemed untouchable – an up and coming jewel in the crown of the Middle East.

Buildings like the Burj Khalifa – the world's tallest – soared skywards as the Emirate emerged as the world's latest financial powerhouse, and the next hotbed for timeshare development.

But then the financial crash hit and Dubai's building projects were frozen in mid-air. It didn't look like the best time to be selling timeshare – a new, unproven product in the market. But timeshare marketers Arabian Falcon saw only opportunity.

"Everyone was backing off," said chief executive officer Mohannad Sharafuddin. "But we knew Dubai well, knew it was a strong market and felt sure we could make a success of selling resorts there."

It wasn't Sharafuddin's first experience of working in the Middle East. He began his career in timeshare sales in 1994 working for the Al Marsa Group, a Saudi company based in Riyadh and selling a resort in Hurghada, Egypt. Back then he sold to the Saudis and within a year rose to become the company's sales manager, with responsibility for training staff across its eight offices.

UNEXPECTED OPPORTUNITY

In 1996, Sharafuddin started working with staff in the company's Dubai office and fell in love with the Emirate. Deciding he wanted to relocate with his family from his home in Saudi Arabia, he left the Al Marsa

The Royal Club at Palm Jumeirah is one of the resorts marketed by Arabian Falcon.

QUOTE: MOHANNAD HAS BEEN A TRUE PIONEER IN THE REGION AND IT IS A REAL DELIGHT TO WORK IN PARTNERSHIP WITH HIM AND HIS TEAM AT ARABIAN FALCON, A TRULY PROFESSIONAL ORGANISATION. DIMITRIS MANIKIS

Group and in 1999 started Arabian Falcon with the assistance of an Emirati national who helped him navigate the local regulatory requirements.

"There were some companies that had opened for a year and messed up the market," explained Sharafuddin. "So Dubai's economic department decided operators of timeshare businesses had to be Emirati and pay one million Dirhams for a license to operate. We had to provide a lot of documentation for the products we would be marketing. Only two other companies were left after that –



Mohannad Sharafuddin

Marriott Vacation Club and Vacation International which sold an Egyptian product."

At this time Arabian Falcon mostly sold resorts in Tunisia, Beirut in Lebanon and Egypt to Emiratis, ex-pats and GCC nationals. Then in 2003 the company started selling resorts in Dubai, creating the Royal Club brand, following a chance meeting with British-based entrepreneur Pervaiz Naviede, renowned for his work on

various property developments in the UK.

Sharafuddin set about seeking suitable developments and settled on the Palm Jumeirah – the man-made collection of islands just off the coast of downtown Dubai. He started with Royal Club at The Palm Jumeirah, followed by Royal Club at Downtown Dubai, a development which has been put on hold in the economic dip and which Arabian Falcon is not currently marketing.

However the development on the Palm Jumeirah, a collection of 50 quality timeshare apartments, has proven a great success, with Arabian Falcon employing traditional timeshare marketing tactics.

"At that time we weren't allowed to sell in shopping malls," explained Sharafuddin. "But in 2003 I approached the government, explained that timeshare sales and marketing is a legitimate business and requested permission to market in the malls and at the airport.

"The duration of the average trip to Dubai back then was very short, so when I suggested timeshare as a way to increase visitor stay intervals it was met favourably by the government and we were the first company allowed to operate from the arrivals reception at the airport.

"We also started operating out of all the malls, but today Dubai has more than 50 malls so we concentrate on the major ones, such as Mall of the Emirates, Dubai Mall and Festival Mall."

RAISING THE BAR

This is not the only occasion on which Arabian Falcon has lobbied government departments. It is an important player in the regulation of timeshare in the region and has been advising Dubai's Real Estate Regulatory Authority as it takes its first steps in developing legislation.

The company has created its own sales best practice based on legislation such as the EU Timeshare Directive, and implemented a five-day cooling-off period long before the UAE government had time to develop local timeshare laws.

Though much of Arabian Falcon's marketing targeted Middle Eastern clients, in 2007 the company discovered the African market and has been doing good business in Dubai with Nigerians, Angolans, Kenyans and Senegalese clients since then.

More recently, Sharafuddin and Naviede negotiated to market 35 timeshare apartments at a five-star hotel close to Dubai Marina and Royal Club at Bonnington Towers came into being. Though sales have

slowed in recent years from around 100 weeks a month, the company is still hitting monthly sales of 50 timeshare weeks or more with an approximate value of \$27,000 at the two resorts they are marketing.

"Timeshare isn't a product that you wake up and want to buy – it has to be sold. It is a need that has to be created during the presentation," said Sharafuddin. "There were some challenging times in Dubai in 2009-10, but since 2011 we have seen a brighter path and are doing much better. And the Arab national's market is fantastic. Last year, for example, they were said to have spent \$10 billion on holidays.

"We use a number of marketing platforms from social media – Facebook, Twitter and Google Plus to sponsoring events like Ski Dubai and have also done marketing promotions. We've found the most effective marketing to be meeting people at the shopping malls."

NEW HORIZONS

Arabian Falcon Holidays is in the final phases of negotiating the launch of a new vacation club product in co-operation with IFA Hotels & Resorts in the Jumeriah Lakes Towers, and is also looking to take its experience to other markets in Asia, Europe and Africa.

"We are also working to finalise with Marriott Vacation International a co-operation agreement related to the Saudi market, with a view to opening operations in Jeddah as soon as regulatory requirements are satisfied," said Sharafuddin.

"We are in discussions to assist resorts in Turkey, Malaysia, Morocco and South Africa with their sales and marketing. We are talking to developers with wonderful projects in Malaysia, while in Turkey we're trying to get leading developers into the business with the help of RCI and together we're looking at projects in Casablanca, in Morocco.

"It's easy to affiliate resorts – every developer is interested in affiliating with exchange companies like RCI and to have the RCI service as part of their product offering. The problem is in selling the timeshare units. Either developers sell them or they have to find a company with a good reputation to do it on their behalf.

"We have always worked in off-site sales and our company's good name and reputation are far more important to me than getting in quick sales. These are the reasons why we have joined forces with RCI. It's a very valuable partnership."

Dimitris Manikis, RCI's vice president, business development, Europe, Middle East and Africa, said: "One of our big strengths is the ability of our business development teams to quickly connect quality developers with successful marketing companies. This is a great example of how RCI has the ability to match-make a developer looking to sell to the Middle East customer with a leading sales organisation such as Arabian Falcon.

"Its knowledge of Middle Eastern shared ownership markets, experience and proven track record in the business combined with the great potential for timeshare in this region, as well as in growing markets such as Turkey, is definitely a great catalyst for significant industry growth."

Sharafuddin added: "RCI is very business-like and professional. I was keen to work with them and they have introduced me to very interesting developers. We're hoping to conclude some agreements and become a part of the RCI network soon." 

Opposite page, clockwise from top left: Bar at the Royal Club at The Palm Jumeirah, rooftop swimming pool, bedroom and lounge at the Royal Club at Bonnington Towers, exterior of the Royal Club at The Palm Jumeirah.



FACT BOX

Want to tap into the Arabian market? Mohannad Sharafuddin explains what makes these destinations popular with Middle Eastern timeshare buyers:

- Malaysia has been popular with people from GCC countries for about 10-15 years due to its Islamic and Western influences and is a good destination for families year-round
- Turkey has been growing in popularity for the past five years, especially after 9/11 when there were a lot of obstacles for families getting visas to Europe. GCC families like to travel in summer so Turkey grew in popularity and is now more Arab-friendly, with lots of Arabic television, it's a short flight time from GCC countries and they don't require visas to travel there
- South Africa is adored by honeymooners who go in search of adventure and safaris. It is a destination that's growing in popularity with travellers from the Middle East region.

