



PUTTING VALUE IN VACATION

With SAS®, RCI forecasts vacation demand and predicts time-share values to help customers find the best spot to unwind.

Business Issue

RCI needed a quick way to estimate the value of time-share swaps and forecast demand.

Solution

With SAS® Enterprise Miner™ and SAS® Enterprise Guide®, RCI can forecast demand, properly estimate time-share worth and communicate information in real time to call-center agents.

Benefits

The company is saving \$1 million a year by eliminating the need to maintain an unstable and inaccurate forecasting tool.

RCI Global Vacation Network's 3 million members own time shares they want to swap or luxury properties they want to lease. SAS Enterprise Miner gives RCI the ability to estimate the value of swaps and rentals and the means to forecast demand. As a result, the company has increased transactions and is saving US\$1 million a year.

RCI Global Vacation Network is a more than \$1 billion-a-year business that helps people swap time-share units and rent private luxury residences all over the world. The company completes more than 3 million transactions a year.

Before switching to SAS, the company's forecasting system, essential to its daily operations, was unstable and at risk of breaking down anytime. With SAS, the company has not only stabilized the environment but has also benefited from more accurate forecasts.

"SAS is the bread-and-butter product for our company," says Sri Raghavan, Senior Vice President of Product Development for RCI. The switch to SAS also has saved the company \$1 million compared with the costs of maintaining its previous tool.

More accurate valuations

For the time share business, the company must properly value each unit on the swap market and help locate a similarly valued time share at the location the member wants to visit. This can be a surprisingly difficult task, given

that the same time-share week in a specific location in a particular month will not have the same value from year to year. The valuation process depends on the forecast of the demand and supply. "If demand exceeds supply for a member's week, they'll get a higher valuation," says Raghavan.

For the rental business, the amount and variety of inventory changes from week to week, depending on the owners' interest in renting the property. "It's challenging because our supply of inventory is not fixed," Raghavan explains. "Yet, using SAS, I can tell what our supply is going to look like a year from now in Orlando."

SAS feeds RCI's transaction systems with the valuations that the transaction system needs to determine the swaps. This information is then available in real time to the company's call-center agents, who work with individual time-share owners and renters.

Improved marketing efforts

RCI also uses SAS to help with cross-sell and up-sell opportunities, as well as to create targeted mailing lists. When the company forecasts that the time-share inventory in Florida will increase in the fall, it can generate a model that predicts which customers might want to visit Florida.

When RCI wanted to encourage travelers to reconsider Mexico during hurricane season, it not only generated

“SAS is one of a kind because it allows me to apply science to the business of vacations, which is quite amazing to me.”

Sri Raghavan
Senior Vice President of Product Development
RCI Global Vacation Network

marketing lists of people who'd visited Mexico during that season but also promoted one of its up-sell products: vacation assurance.

“Our business is very dynamic,” Raghavan says. “It changes all the time, and we needed a tool that can adapt to those changes. Not many systems allow you to model the way SAS does.”

Plus, employees across the company – from the finance department to the business services department – have embraced the switch to SAS Enterprise Guide because it provides quick access to the information they need. “It has improved the reporting and sharing of critical business information across the enterprise,” says Raghavan. “We have clearly seen the value in SAS, something that isn't always the case with other products and vendors. We've enjoyed the benefits of SAS.”



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