

# Inspirato

## The Inspirato Difference

An Interview with Brent Handler, Founder and Chief Executive Officer, and Brad Handler, Founder and Chairman, Inspirato



**EDITORS' NOTE** In 2002, along with brother Brad and a friend, Brent Handler co-founded Exclusive Resorts, a destination club industry pioneer. He was the company's president from 2002 through 2009.

At the beginning of his career, Brad Handler worked at Apple. He later served as eBay's first attorney. Brad has served in the roles of Chairman, CEO, and Vice-Chairman of Exclusive Resorts and he continues to serve as a board member. He also teaches law and business at Stanford.



Brad Handler



Brent Handler

**COMPANY BRIEF** Inspirato ([www.inspirato.com](http://www.inspirato.com)) is a new luxury vacation solution ideal for travel with family and friends and offering the best of a destination club's consistency and service with the value and flexibility of villa rentals. Signature Residences are outfitted with the highest quality amenities and located in popular destinations including Italy, Mexico, Hawaii, California, South Carolina, the Caribbean, and Colorado. Beyond Signature Residences there is Inspirato Metropolitan, a collection of select fine hotels and resorts in major destinations around the globe, and Inspirato Experiences, offering expertly curated vacation adventures. Inspirato's new business model is revolutionizing the industry by leasing its properties rather than owning them.

**What did you see that made you feel there was an opportunity to bring a new brand to the market and how did you intend to differentiate in a crowded space?**

*Brent:* When I left Exclusive Resorts in 2010, I was given a once-in-a-lifetime opportunity to create a club that took all the best parts of what I had learned in the industry while leaving behind the drawbacks.

Inspirato is different in that we lease the homes long-term instead of purchasing them. So instead of a broker, which is an intermediary between the owner of the home and the end consumer, we take complete control of these homes and we outfit and furnish them so they're at the same standards as if they were fractional or the homes were personally owned.

We learned that if we leased a home instead of having the customer buy or finance the home, it provided unbelievable savings. So our initiation fee is 95 percent less than a comparable fractional or destination club with homes of our quality.

In addition, we have committed ourselves to the highest standards of private vacation service, so we offer a personal concierge and your own vacation planner in Denver – very similar to the top destination clubs.

What we did change is the reservation system. Booking a property has not been a highlight for people who have purchased destination clubs or fractionals in the past. So we broke all the rules. You can travel as much or as little as you like and you can make as many reservations as you like; the only thing you do is pay for the nights you use and if you travel during peak demand times, you pay more than shoulder seasons. If you travel in ways that do not preserve availability for the club, you pay more; and if you travel over week to week reservations, you pay less. Outside of that, there are zero rules. You don't prepay for nights. And our members, now over 800 strong, love it.

**Is the target market still a similar profile to that of destination clubs or does your ability to manage costs broaden it?**

*Brent:* It broadens the market about tenfold. Our nightly rate for non-holiday travel averages \$660 for week-long vacations and \$960 for holiday vacations per night. So our rates are unbelievably competitive when looking at renting a vacation home on your own that doesn't come with the services or peace of mind we provide versus any other club.

The reason we're much more affordable isn't just because the upfront fee is so much less; it's equally because the nightly rates are so compelling.

**What was your key focus to ensure you were offering the correct geographic range?**

*Brent:* We started with the places that affluent travelers love for vacations – New York City, Cabo, Hawaii, and Vail – and we're planning to add between four and six new destinations per month for the rest of the year. We look for

strong value for our customers but also a replicable service experience for members.

**Are you still competing with the major destination clubs?**

*Brad:* No. The competition in the luxury hospitality segment is so huge that none of the players that existed in the market before us commanded a very large share of the market.

On an average destination club or fractional purchase, the price is between \$300,000 and \$400,000 just to get in the door versus our price of \$15,000, which makes our market exponentially larger.

Even that small subset who could afford a destination club or a fractional purchase would often make the economic decision that it doesn't make sense to put their capital into either of those programs. Inspirato is a more efficient capital solution for them to get a vacation experience that is equal to or better than they could get elsewhere.

**How important is it to build partnerships so you can offer the full travel experience?**

*Brad:* We take our role both as a partner and in finding the appropriate partners very seriously.

We have partnerships with a fractional jet program, a regional jet company, a travel company, a destination seller of wine, and with a company that allows our members to play golf on courses throughout the world without being members of those courses.

It's important to us that our partnerships are ones that will be used.

**Will membership growth come from the U.S. market or are the overseas markets a target for you?**

*Brad:* International marketing and growth is just as important as what we're seeing in the U.S., both in terms of membership sales and in the distribution of where we put our properties.

Without even trying, because we have focused solely on marketing in the U.S. so far, we have 10 percent of our members from outside the U.S. We will be rolling out our international initiatives over the next several quarters and that will help supercharge the growth of members and provide us with the ability to have additional opportunities for international travel that would not be available without the local expertise we'll pick up by incorporating international members into our portfolio. ●

*Three-bedroom Sugarcane, Kohala Coast, Hawaii*