Phishing Holidays: the Market for Timeshares

David J. Butler

Griffith University

Abstract

A recent book by Nobel Laureates Akerlof and Shiller, *Phishing for Phools*, has drawn attention to the ‘dark side’ of the nudge. This paper presents the timeshare market as an exemplar; a number of features of this market make it uniquely suitable for this purpose. I highlight the manner in which developers leverage consumer biases and cognitive limitations to secure sales. Our highly imprecise prior valuations for this product dovetail with our cognitive limitations to leave us vulnerable to the developer’s preference-shaping deployment of choice architecture. I then draw comparisons with the timeshare resale market to estimate the loss to consumers. I finish with some possible recommendations for reform.