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Defining Luxury and High-End Tourism – Reflections on the Key Issues and Market Trends

Turystyka luksusowa i turystyka wysokiej klasy – kluczowe zagadnienia i trendy

Abstract: The article aims to familiarise the reader with the concept of luxury tourism (high-end tourism), trace relevant global consumer trends and to look at the relationship between luxury tourism and sustainable development. The authors rely on the literature that refers to the concept of luxury or high-end tourism, strategic documents published by supranational and national tourism organizations, and a pilot comparative analysis of selected tourist products from the luxury tourism sector. The article is for illustrative purposes only.

Keywords: luxury tourism; high-end tourism; market trends; sustainable development; small island developing states

Abstrakt: Artykuł ma na celu przybliżenie pojęcia „turystyka luksusowa”, prześledzenie trendów konsumenckich na świecie w odniesieniu do tego typu turystyki oraz pochylenie się nad związkiem turystyka luksusowa – zrównoważony rozwój. Autorzy opierają się na literaturze przedmiotu, dokumentach strategicznych publikowanych przez międzynarodowe i narodowe organizacje turystyczne oraz na pilotażowej analizie porównawczej ofert wybranych usługodawców z sektora turystyki luksusowej. Artykuł ma charakter poglądowy.

Słowa kluczowe: turystyka luksusowa; turystyka na wysokim poziomie; trendy marketingowe; zrównoważony rozwój; małe wyspy i kraje rozwijające się

INTRODUCTION

Coco Channel is reported to have said that “luxury begins where necessity ends” (Okonkwo 2016). Luxury is the intimate perception and experience of goods and services that changes them from not needed as necessary to indispensable. “Luxury”, Socrates is reputed to have once said, “is artificial poverty”. “I’m not poor, but there’s nothing like an afternoon spent shopping for luxury goods to make me feel that way” (Weber 2007). Overall, it is very much an ambiguous concept that in practice often depends on the cultural, economic, historical or regional context making the whole luxury industry an absurd idea (Mortelmans 2005).

The term “luxury” is commonly used in daily life, in business, in academic literature and in tourism. The first association that comes to mind when talking about luxury is high price. Yet, an analysis of the prices of selected travel offers shows that the cost of a basic leisure break in Iceland exceeds the cost of staying in 5-star hotels, which describe themselves as luxurious, in Dubai or Turkey. So what determines luxury? High standard of service? Uniqueness? The fact that the offer is available only to a chosen few? A separate issue is the relationship between luxury tourism and sustainable development. Expensive 5-star hotels and tour operators specializing in high-end tourism often “boast” about their contribution to sustainable development.

The article aims to introduce the concept of luxury tourism, to trace consumer trends in the world in relation to this type of tourism, and finally to look at the relationship between luxury tourism and sustainable development. The authors rely on the literature using the term “luxury” or “high-end tourism”, strategic documents published by international organizations and tourism departments of selected countries, and on a pilot verification of the offers of selected service providers from the luxury tourism sector. The article is for illustrative purposes only.

The authors do not claim to exhaust the topic. Highlighted problems will be discussed in a separate publication.

“LUXURY” – SOME DEFINITIONS

The concept of luxury can be hard to define as it tends to be highly subjective (Amatulli, Guido 2011). The Oxford Dictionary gives several, not necessarily compatible, perspectives on luxury. For instance, enjoying a cup of hot chocolate after a long day of working on a masters’ thesis can be a source of immense pleasure, a real luxury. At the other end, for a wealthy person, luxury would most

likely mean an enjoyment of “expensive, special and exclusive things, particularly food and drink, clothes and places” (Oxford Dictionary 2022). An example of this could be a two-week holiday on the Frégate Private Island Resort at the cost of some USD 4,000 per night (Etic Hotels Journal 2021). By implications, luxury, therefore, suggests something that is hardly essential – as is the need to drink liquids regularly – and carries with it the notion of exclusive access, high quality, prestige, pricey select brands, uniqueness, symbolic value and highly targeted marketing (Heine et al. 2016). It may also suggest high social status (Tynan et al. 2010). Indeed, Nueno and Quelch (1998) suggest that the interpretation of luxury rests on each individual’s social reference point.

There are numerous synonyms connected with luxury. They include “excess”, “extravagance” and “lavishness”. Thinking about luxury brings into view the idea of old money and new money. In the old days, the aristocracy would send their offspring on a tour of Europe. This was a distinctive social ritual. They would visit archaeological sites, museums, theaters, and study in old European universities. The experience was culturally expansive, yet socially exclusive, reaffirming the socio-political power of ruling elites (Kriz 1997). They would mingle with local aristocracy and each other to build connections that would last a lifetime. It was more than a question of money; it was a way of life. Today, people who acquire substantial fortune would see it in a different light. If they tried to do the same, they would most likely engage in an expensive imitation of that experience like the London to Sydney overland coach service. The Oz-bus journey takes 92 days and covers 17 countries, which include Turkey, Iran, India, Pakistan, Malaysia, India, and Indonesia. Extra thrills can be paid for separately and include flights round Everest, elephant safaris and tiger spotting in Nepal (Thomas 2007; Tweedy 2009). Democratization of luxury is here to stay.

The Oz-bus example is one illustration as to how, in the past 20 years, the consumer market has transformed to an experience-based economy; instead of just buying products or services, consumers are seeking experiences that satisfy their needs and desires. Similar transition is taking place with luxury consumption as with buyers moving from product consumption towards experiential luxury consumption (Cristini et al. 2017). What is more, the very idea of luxury is evolving and becoming multifold to include a new form of luxury, beyond the traditional conspicuous consumption of luxury, which means that luxury is seen as elitist, exclusive, symbolic, prestigious, expensive and attached firmly to the products and their attributes (Godey et al. 2013). For these type of consumers gain value a form of (peer) status via public symbolism. They get to define individually what luxury is based on self-definition, own emotions that emphasizes the experiences, quality and enrichment of life (Bauer et al. 2011).

When discussing the topic, reflection may also be made in reference to new or old luxury (Tynan et al. 2010). It is more than a question of money. Genuine elements of authentic and traditional luxury are based on the search of the finer things in life. These include beauty, harmony, refinement, innovation, and delivering the best quality possible. It was reflected in the guiding philosophy of artists and traditional craftsmen rather than large international companies that power the luxury industry today (Gardetti, Torres 2017). Indeed, this has made some writers suggest that corporations with a sole focus on making money have made the luxury industry “sacrificed its integrity, undermined its products, tarnished its history and hoodwinked its consumers”. One time guarantors of value and integrity, the corporations have become meaningless “markers that point toward nothing, guiding the consumer on a road to nowhere” (Thomas 2007). An illustration of this trend is a sight of a woman dressed in iconic brands and wearing expensive jewellery making enquiries with a view to buying a fake Rolex. The same author notes that in this way, luxury is a mere shell of what is was initially intended to be.

Contrary to old luxury, new luxury is expanding exponentially as more and more people have the means and ambitions to tap into the possibilities offered by their recently acquired wealth and freedom to travel. New iconic brands, products and services are emerging to cater to this segment of population. This democratization of the luxury sector is changing its key characteristics using AI to offer a highly personalized service (Ramadan 2019). Ramadan (2019) also notes that, the exclusive service and offer is targeted at a specific customer for whom significantly higher price, non-essential goods, unique services as well as higher quality all have a sentimental value and thus is not a problem to afford.

While discussing luxury, it is important to reflect on the special role that price plays in the equation. Generally, luxury suggests that the price of goods and services will be higher, but this is not always the case, especially when it comes to travel (Uggla 2017). There is extensive research on how consumers decode luxury prices. This shows that while lower prices may sometimes be compatible with luxury, there is always a minimum price beyond which a product or service will no longer be considered to be luxurious. To identify such a price researchers ask two simple questions in a focus group setting. In the context of a hotel, they would ask at what (minimum) price would you say this hotel is not luxury? Then, at what (minimum) price would you say this hotel is luxury? (Kapferer et al. 2014).

LUXURY TOURISM

Iloranta (2022) sees luxury tourism as a multidimensional, multifaceted concept, which embraces numerous key factors or attributes. The attributes connected to luxury tourism are very similar to those historically used in discussion on luxury goods, with quality and price creating certain expectations as to luxury. Today, these attributes have become more abstract. Consumer perceptions have acquired greater significance. Luxury is made up of more than product/service features, functionality, quality, specification, and price. Experiences with unconventional luxury go beyond historical luxury attributes and embrace the meaningfulness and preciousness of luxury moments in experiences.

Seen from this perspective, the identification of where luxury starts changes across consumers, cultures and societies. As the analysis of literature notes, luxury tourism debate has a serious built in weakness. This is because it is driven predominantly by quantitative data with most research looking at the USA and Asia and focusing on high-end hotels and restaurants as an essential component of the luxury tourism product. Customer feedback and web reviews indicate that luxury accommodation is essentially linked with certain agreed hotel facilities. These include king size beds, bigger than average baths and bedrooms, appropriate hotel appearance, comfortable furnishings and such extras as extra-large towels, high class bathrobes and slippers, privileged access to unique locations, high degree of privacy, and top levels of personal service, that ideally includes a personal butler. Other sources suggests that luxury tourism is associated with exclusivity, privileged access, intensive and extensive service, privacy, and highly personal/individual attention with focus on unique facilities, highly agreeable appearance, top class furnishings and service attributes covering comfort, food and dining options, and a degree of uniqueness (Ahn, Pearce 2013).

This is a highly limited, traditional view that ignores the new luxury experience that seems to be the driving force of luxury tourism today. Traditional perceptions may be lost on the emerging consumers' understanding. The key question that emerges is whether more qualitative research on what constitutes luxury is needed. This would help capture the subjective, personal and culturally relevant experience missing from discussions currently available.

The study of luxury and high-end tourism is a highly dynamic area reflecting changes in the distribution of wealth, society worldwide partly caused by globalization. While status has been traditionally linked with luxury, today's consumer seem more interested in self-interest with prestige occasionally having negative connotations (Goor et al. 2020). Importantly, studies do not

necessarily focus on the wealthy or those who have the ambitions of paying to belong to that category. This neglects the generally accepted fact the higher one's status, the less likely one's status as a value will impact one's choice of a holiday (Correia et al. 2014). Finally, the generational aspect of the concept is acquiring new significance as the world is seeing the largest transfer of wealth in history of mankind (Hall 2019). Some findings are counter intuitive. Contrary to common belief, children born in the 2000s were prepared to delay gratification and on average wait 2 min. longer than those born in the 1960s, and 1 min. longer than the Millennials born in the 1980s (Carlson et al. 2018). This has enormous implications for the luxury market and clearly calls for additional research.

Another curious price phenomenon is linked to tourists from a high GDP country. They will be likely to enjoy a higher level "luxury products and services" in a visited country with a significantly lower GDP for a comparably lower price. By way of an extreme example, a Luxembourg citizen, enjoying a GDP per capita for 2021 at USD 135,683 (Macrotrends 2022), would reap enormous price benefit by visiting Burundi, with a GDP at some USD 272. Naturally, care must be taken not to oversimplify the case as the issue of price differential is not due to GDP alone. Other factors are also at play. These include the cost of importing goods and employing expensive foreign specialists, the prices of supplying local goods and services is likely to be much lower. In short, luxury travel does not necessarily translate into high price (Sjostrom et al. 2016). One example is the offer of 5-star hotels in Hurghada in Egypt or Alanya in Turkey, where the cost of a full board (all inclusive) stay, especially during off-season, may be lower than the cost of daily living in some Western European countries. Indeed, some residents of high-GDP (per capita) countries go on luxury holidays partly motivated by a saving such choice generates in daily expenses in their home country (Kežman, Goriup 2023; Madhyamapurush 2023).

Some destinations – such as Dubai – are widely promoted and increasingly perceived as exclusive but, in fact, they are not the most expensive. While they do offer products that could be considered rather luxurious, the average price of 5* hotels in Dubai is lower than 3* hotels in other destinations, such a Slovenia (Tab. 1).

High price does not always translate into a luxury offering. Paying USD 116 for a room with no toilet and no window in New York or USD 93 for a bed in a 6 people shared room in Toronto is unlikely to be viewed as luxury. The price of a pizza at a Norwegian airport may reflect the cost of a three course meal in an upmarket restaurant in Peru or Sri Lanka.

Tab. 1. Cost of accommodation with breakfast in selected destinations (in USD; search for August 2023) (authors' own study based on booking.com)

Destination	Most expensive 5* hotel	Less expensive 5* hotel	Most expensive 4* hotel	Less expensive 4* hotel	Most expensive 3* hotel	Less expensive 3* hotel	Less expensive with bathroom
Dubai	527	76	288	51	315	46	46
Bled (Slovenia)	299	299	328	231	201	135	135
Reykjavik (Iceland)	–	–	1,705	248	603	278	278
Nuuk (Greenland)	–	–	330	330	–	–	213
Cape Town (South Africa)	1,259	74	341	44	101	50	25
Alanya (Turkey)	746 (all inclusive)	178 (all inclusive)	377 (all inclusive)	70	265 (all inclusive)	32	32
New York (USA)	2,602	344	816	225	398	218	218

SMALL ISLAND DEVELOPING STATES AS A HIGH-END TOURISM DESTINATION

Small island developing states (SIDS) are a top destination for millions of tourists each year. Tourism is a key economic opportunity and driver of development in SIDS. While their small size and remote locations are a challenge in most economic sectors, these characteristics constitute a competitive advantage when it comes to tourism (Dłużewska, Giampiccoli 2021). This, together with their typically lush tropical landscapes, rich biodiversity, and unique cultural traditions, makes them highly attractive tourist destinations. Concurrently, these characteristics present unique challenges for tourism operators in SIDS. By way of illustration, their distant locations and low connectivity can make SIDS some of the most difficult and expensive destinations for travellers to reach. This, in turn, is a perfect opportunity for those interested in delivering high-end tourism (Jackman et al. 2011). SIDS characteristics also make them particularly vulnerable to negative impact of tourism (Scheyvens, Momsen 2008; Scheyvens 2011; Baldacchino, Kelman 2014; Grydehøj, Kelman 2017).

SIDS focus on tourism is partly due to its potential to create a multiplier effect, i.e. how many times the money spent by tourists circulates through

the domestic economy (Rusu 2011). Tourism does not exist in a vacuum. The concept assumes that money spent in the restaurant and supports economic activities elsewhere on the island. The restaurant buys food from local producers, who then spend some of the money on their own commercial activities and pay family bills to others living in their communities. If local artists and craftsmen can create demand, a significant souvenirs industry can develop. The money keeps multiplying until it leaks from the country through imports, divestment or expatriate labour in travel and tourism sector. The particular situation differs according to a specific country; expatriate labour may underpin the tourism operations in some Indian Ocean locations but not those in the Caribbean. As an illustration, the most recent guidelines for the recruitment of non-Seychellois, designed ostensibly to reduce the archipelago's dependence on foreign workers, gave whole segments of the tourism sector to expatriate workers with even small hotels of up to 50 rooms being entitled to engage 70% expatriate labour (Thompson et al. 2019).

From the state's perspective, tourists are important contributors to sales, boosting profits, jobs, tax revenues, and general wealth of the country. The biggest beneficiaries are those working in primary tourism sectors (accommodation, entertainment, restaurants, retail trade, and transportation). The architects of tourism-driven economy need to have a wide vision that goes well beyond the tourist sector alone. They need to invest in developing realistic capacity of agricultural, manufacturing, and service sectors that efficiently meet the perpetually evolving demands of the tourism sector. And the bigger the share of tourism in the economy, the more pressing is the need to get this right. In some islands, like Seychelles, it is the top earners of foreign exchange, generating some 60% of GDP. In others, like Jamaica, it employs literally hundreds of thousands of people who work directly in the sector or indirectly in agriculture, construction, manufacturing, or transportation. The challenge for policy makers is how to nurture a system that will bring all these indirect operations into an efficient network that brings together gastronomy, health and wellness, shopping, entertainment and sport as well as the providers of such services as electricity, fuel, gas, water and sanitation (Spencer 2019).

UN World Tourism Organization (UNWTO) puts forward four fundamental challenges that SIDS face. First, how to operationalise the vision of the Rio+20 Conference and maximize the potential of tourism as a tool of sustainable development. How to develop the right response by the tourism sector to climate change. How to secure air connectivity by ensuring the best marriage of tourism and air transport policies and regulations. Finally, how to maximize the opportunities presented by quality market positioning. These would embrace

tourism offerings diversification and creation of niche markets that would boost competitiveness and decrease vulnerability (Editorial Team n.d.).

Much has been written on the importance of tourism in SIDS and on the wide range of issues affecting its contribution to their sustainable development. In an effort to consolidate this knowledge and share lessons learned, the UN-WTO has launched a publication *Challenges and Opportunities for Tourism in Small Island Developing States*, in 2012. Coinciding with the RIO+20 Conference, this book offered an overview of the status of tourism in SIDS, while illustrating the vital importance tourism plays in sustainable development of many islands and for the achievement of the MDGs. While today, it has been complemented by more up-to-date guides, it continues to offer a useful source of policy orientations, guidelines and other tools to assist those engaged in tourism in SIDS on how to address the challenges ahead. More specifically, it stresses and offers practical solutions on how to develop and organize tourism sustainably so that local communities can profit from it and visitors' experience is maximized.

KEY MOTIVATIONS OF EXCLUSIVE CUSTOMER AND MARKET SEGMENTS

Existing research into luxury consumption shows that there are diverse groups of motivations and consumer characteristics that lead to different trends, patterns or styles of luxury consumption. To study the topic of motivation, one framework suggests a five-point luxury value model for consumption motivations. According to Wiedmann et al. (2007), these are the 1) financial dimension (price, resale price, discount, and investment); 2) functional values (quality, uniqueness, usability, reliability, and durability); 3) social values (conspicuous consumption, status seeking and prestige); 4) individual or personal values such as hedonism or self-indulgence and materialism; and 5) self-identity as a person of taste, a gourmand or as a connoisseur. A comparable study by Bindra et al. (2022), comes up with a more graphic set of motivations. These include 1) hedonism, which is preoccupied with own thoughts and feelings and thus less on price. The focus is on indulgence, self-reward and comfort; 2) conspicuous consumption where consumers connect price with prestige in an effort to impress others; 3) snob effect where price indicates exclusivity and uniqueness, social status and prestige; 4) the bandwagon effect where consumers are keen on being fashionable and linked to iconic/prestige brands, mainly because others are doing; and 5) perfectionism where the emphasis is on own perceived quality (Husic-Mehmedovic, Cacic 2009).

Each of these motivations combined with personal attributes and experiences are reflected in a distinct luxury market segment dedicated to meeting those expectations (Berthon et al. 2009). Increasingly, research is becoming more sophisticated and is looking into other consumer characteristics. Atwal and Williams (2009) mention that these include history of affluence, age, culture, and luxury experience. For instance, newly rich individuals are more likely to use conspicuous consumption to signal social status and prestige. Reports produce highly specific takeaways on various markets.

For instance, McKinsey & Company note that Chinese luxury consumers represent close to a third of spending on luxury products globally with some USD 7.4 billion in annual spending. This represents an upward trend given that at the time of the Beijing Olympics in 2008, they accounted for just 12% of global luxury consumption. In this period, it is estimated that in excess of 75% of the total growth in global luxury spending, more than USD 65 billion, may be due to purchases made by Chinese consumers (Bu et al. 2017). It is predicted that by 2025, 7.6 million Chinese households will represent USD 144 billion (1 trillion RMB) in global luxury sales. This is twice the 2016 figure and equivalent to the combined size in 2016 of the French, Italian, Japanese, UK and US markets as mentioned by Bu et al. (2017) report on Chinese luxury.

Generally, Chinese luxury consumers are price sensitive. Yet, they are willing to pay a premium price for brands that can signal a higher social and economic status. Brand managers pay specific attention to young Chinese new spenders who drive the market. Key strategies involve marketing iconic brand-product combinations. This also embraces using a Chinese nickname to increase the chance of benefitting from the product going viral on social media where young buyers are particularly active. Interestingly, young Chinese luxury shoppers access all channels for information but in their purchases they are particularly influenced by what happens in a physical store (Luan et al. 2019).

Despite numerous claims of the enormous potential of the Chinese visitors interested in luxury holidays, many high-end destinations are still to tap into this market. This is illustrated by visitor arrivals statistics for Seychelles (Tab. 2). In 2021, there were only 132 mainland Chinese arrivals registered on the Islands out of the grand total of 182,849.

This represents a significant change from the 2018 figures that were led by Germany and France (Tab. 3) when there were some 9,050 Chinese visitors to the Archipelago.

Complementary to the attributes of luxury and luxury tourism, consideration must be given to the key forces that drive the development of the industry. An analysis of the publications on luxury consumption and luxury tourism sectors

produces three interrelated key factors that drive the development of the sectors: growing wealth, democratization of luxury and efforts by host countries to reap maximum benefits from high-end tourism (Moscardo 2017).

Tab. 2. International arrivals in Seychelles in 2021 – leading nationalities (authors' own study on the basis of Seychelles National Bureau of Statistics)

Rank	Country	No. of visitors	Total tourists (%)
1	Russia	31,392	17
2	UAE	21,699	12
3	France	18,425	10
4	Germany	17,673	10
5	Israel	10,551	6
6	Switzerland	8,468	5
7	USA	5,551	3
8	Ukraine	5,526	3
9	Poland	5,100	3
10	Saudi Arabia	4,327	2
Total 2021 arrivals		182,849	

Tab. 3. International arrivals in Seychelles in 2018 – leading nationalities (authors' own study on the basis of Seychelles National Bureau of Statistics)

Rank	Country	No. of visitors	Total tourists (%)
1	Germany	61,339	17
2	France	43,549	12
3	UK	26,671	7
4	UAE	25,024	7
5	Italy	24,409	7
6	India	13,901	4
7	Switzerland	13,394	4
8	South Africa	12,399	3
9	Russia	11,362	3
10	Austria	10,359	3
Total 2018 arrivals		242,407	

Today, the world is indeed richer than ever. In 2021, global household wealth grew by close to 10% to some USD 447 trillion. Wealth increase was particularly high in China and North America (Shorrocks et al. 2022). The distribution of wealth is uneven and quite dynamic with considerable fluctuations caused by

politics, economy, health and even war to mention a few. Until 2015, the growing affluence and economic power boosted by demographics of such countries as Brazil, China, India, Russia, Saudi Arabia and the Gulf States had been the top contributors. The process produced an increasingly wealthy middle class that fueled growth in international travel. Today, China is still the leading force in the global outbound tourism industry but it is followed by such trendsetters as the US, Germany, France and the UK (UNWTO 2022). According to Blazyte (2022), in 2019, nearly 155 million Chinese travelled abroad, almost three times as many as in 2010. Even during the pandemic, Chinese tourists remained top spenders in the period 2008–2021 with USD 106 billion. In contrast, at its peak in 2013, Russia was fifth in terms of international tourism expenditure ahead of countries like France and Canada, and Brazil with close to USD 60 billion. Following China, the quickest growing sources of international tourists include India, the Gulf States and Thailand (UNWTO 2022).

The world not only has grown more affluent but the number of wealthy people has increased steadily in the last two decades. According to Forbes, there are now more than 62 million millionaires (Shorrocks et al. 2022). While this represents less than 1% of the global population, it is still a number that makes an impact on the luxury market. Democratization of luxury is made up of two parts: increase in consumer access and consumer interest in paying for luxury goods and services. To boost sales and market share, suppliers of products and services introduce cheaper versions of luxury labels. When it comes to the Millennials, they may actually prefer to have no label at all (Lewittes 2018). Clothes designers as well as glamorous actors, models and rappers launch produce new lines of products or services. Even boxers, footballers or tennis stars are surprisingly successful in branding not only obvious luxury sport brands but also perfumes, if necessary promoted as being available at affordable prices (Fragrance Review 2022). The Internet, with its social media and influencers, has gone a long way to make luxury products and services more affordable (by cutting out the intermediaries) to reach even those who could not otherwise afford them in the past. Travel has not been immune to these developments and has been responsible for selling a luxury experience rather than a specific product or service. It is by offering this luxury experience that shopping for luxury goods has become linked with high-end tourism into a single package with services traditionally associated with travel: exclusive hotels, spas, restaurants, or elite sports.

The third factor concerns government policy. It revolves around the harnessing of tourism, especially luxury tourism, as a national cultural, economic, social development tool by host administration. Today, the most successful example of a government intervention in tourism is the Middle East, which has

recorder the highest increase in international tourism arrivals in 2019, growing at close to twice the global average at 8%. Similarly, increase in Asia and the Pacific, which slowed drastically in the pandemic, showed impressive growth that reached some 5% as indicated by UNWTO (2022).

LUXURY AND SUSTAINABILITY

The relationship between the luxury industry and the sustainability concept is quite complex. At first glance, the values associated with luxury and those promoted as sustainable are widely seen as opposite (Voyer Beckham 2014). Luxury brings connotations of products and services that are expensive, inessential, inaccessible, rare, exclusive, and (often) brought in from afar with significant financial, time and environmental cost. Sustainability brings in the notions of something that is free (like air and water), essential (to survive), easily accessible, ubiquitous, communal and (often) local. Luxury and sustainability may be incompatible from an ethical point of view (Verde Nieto 2011). Economically, the luxury sector wants maximum gross margins. In consequence, luxury providers do not focus on cost reduction, instead they emphasise value creation. The aim is to making the consumer feel unique, a celebrity.

This focus on quality at the expense of costs is kept along the entire value chain. This begins with the choice of high-end raw materials and continuing through production, branding and marketing, and after-sales servicing. A BMW owner – considered to be an exclusive brand – knows that these cars do not compare to a Fiat or Toyota – a more affordable brand – in terms of maintenance. As luxury items, BMW products are more expensive for a number of reasons. These include costs of meticulous manufacture by highly specialised labour, use of quality parts by high-end manufacturers (like Bosch or Bilstein), lack of economies of scale, importation of many parts, and brand as a high-end car manufacturer (Metelus 2022).

Sustainable development efforts emphasise different values, which may include parsimony, moderate consumption, and equality, which prefers lower cost (financial, environmental and social) over high quality (Amatulli et al. 2017). Luxury consumer generally puts a premium on enjoying goods and services here and now. This is in sharp contrast to the philosophy underpinning sustainability that calls for a reflection on the needs of future generations while enjoying and utilising resources today. It is also a potential conflict of values and lifestyles in that luxury has become rampant, nouveau-riche acquisitiveness identified with selfish hedonism, wasteful ostentation, boastful superficiality and unprincipled disregard of general rules of society while sustainable development

implies altruism, sobriety, moderation and ethics reminiscent of the patrician age (Carrier, Luetchford 2012).

CONCLUSIONS

The growing wealth of society and the increased availability of international travel make tourism available to growing/new social groups. Luxury tourism becomes a distinguishing feature destined and a market niche that makes those who can afford it feel special. However, luxury tourism is undoubtedly a nebulous concept. Definition of luxury is highly subjective and determined by individual social reference points: wealth, standards, fashion and many other factors. The key observations from this study embrace the following:

1) subjective factors play a key role of in determining what is considered luxury travel,

2) creating associations with luxury tourism can sometimes be a deliberate element of the marketing strategy of some destinations that may wish for their products and services to be perceived as luxurious, even if they are not the most expensive offering,

3) some, objectively very expensive destinations, are not commonly associated with luxury tourism,

4) the source market of luxury tourism is changing on a global scale,

5) some luxury tourism offerings have managed to grow associations and perceptions that are not always true, such as references to sustainable development by hotels that cannot be objectively verified and, in reality, make at most a minimum contribution to long-term sustainability of the host communities, and

6) changing the “composition” of the source market causes references to other elements that build luxury tourism.

Due to the pilot and introductory nature of this article, these conclusions are only indicated here. Each of these points may be an interesting research area.

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