

Luxury tourism service provision - Lessons from the industry

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ABSTRACT

This study explores service providers' perceptions of luxury tourism service provision and increases the understanding of luxury tourism services. The research was conducted in Finland, which does not have a strong luxury culture and does not represent a traditional luxury tourism destination. Rather, it is an unexplored and promising destination for tourists who seek unique and untraditional luxury experiences. To examine luxury, eleven narrative interviews were analyzed. The study suggests that Finnish luxury is a new form of luxury, and to understand the core of a luxury tourism offering service providers need to have had their own experiences of luxury, know the context they are operating in and what the customers' expectations of luxury are. Additionally, the level of privacy of the experience affects the service. The goal of service providers in the Finnish context is to offer the customer favorable prerequisites for experiencing a hedonic or eudaimonic well-being experience.

1. Introduction

The consumption of luxury has changed from the consumption of traditional status- and product-based luxury, to a new type of luxury which is experiential and emphasizes enrichment and the quality of life (Yeoman & McMahon-Beattie, 2011). Although hedonic and experiential consumption are central concepts in the hospitality and tourism literature (Titz, 2008), only a few studies have examined different aspects of luxury in these contexts. Therefore, it has been argued that the academic discussion has neglected research on luxury services (Yang & Mattila, 2014, 2016, 2017), and experiential luxury in the context of hospitality and tourism has called for further research (e.g., Park & Reisinger, 2009; Swarbrooke, 2018). This study highlights luxury tourism and broadens our understanding of the features of luxury services. Furthermore, the study explores the context-specific concept of luxury, as there is no consensus on the topic.

In the contemporary world, it has been acknowledged that luxury experiences are superior to luxury products (Tynan, McKechnie, & Chhuon, 2010). The rise of consumption overall toward the consumption of experiences derives from the argument that compared to material possessions, experiences are likely to be more closely related to the self (Carter & Gilovich, 2012), and are not replicable from person to person (Carter & Gilovich, 2010). Furthermore, experiences improve well-being (Guevarra & Howell, 2015) and create longer-lasting memories and hedonic values (Nicolao, Irwin, & Goodman, 2009). The consumers' search for meaningfulness has transformed luxury by "shifting from having-to-being and from owning-to-experiencing"

(Cristini, Kauppinen-Räsänen, Barthod-Prothade, & Woodside, 2017, 101).

Research on experiential luxury is mainly from the consumers' perspective, and only a few studies have taken into account service providers' perceptions by combining both perspectives in the same study (e.g., Cetin & Walls, 2016; Harkison, 2016). Therefore, this study takes a novel approach to research on luxury tourism by presenting only the service providers' perspective. The topic is significant from the managerial perspective because the luxury market is an essential segment in the travel and tourism industry (Park, Reisinger, & Noh, 2010) as the money spent by these tourists is worth 25% of the money of all international journeys, and per day luxury tourists spend eight times more than regular tourists (ILTM, 2011).

The change of luxury from its traditional, conspicuous form of consumption toward more inconspicuous forms has also called for further research (e.g., Eckhardt, Belk, & Wilson, 2015; Makkar & Yap, 2018). Therefore, the study is conducted in Finland, which is not famous for a traditional luxury culture and does not represent a typical destination for luxury tourism. However, culture is seen as one of the most significant explanatory factors in the consumption of luxury (Kapferer & Bastien, 2012), as luxury is defined and valued differently around the world (Wiedmann, Hennigs, & Siebels, 2007). The context of the study, Finland, has had a short independent history as a very equal and democratic country. Laurent, Dubois, and Czellar (2005) note that in those countries which are democratic and equal, the attitude and conception of luxury is distant. Finns do not usually perceive luxury as part of their daily lives (Nyrhinen, Wilska, & Leppälä, 2011; Talvio,

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2011) as luxury is considered vain (Nyrhinen & Wilska, 2012) and the Finnish mentality supports the invisibility of luxury brands (Kauppinen-Räsänen, Björk, Lönnström, & Jauffret, 2018). For these reasons, Finland offers an alternative and unique luxury tourism experience to tourists. Therefore, there has been an increasing interest in luxury tourism in Finland by the National Tourist Board.

Given this background, luxury tourism may be based on different factors and goes beyond traditional conceptualizations of luxury. As consumer trends affect services (Baron, Warnaby, & Hunter-Jones, 2014), it is essential for academics and marketers to understand this complex and paradoxical shift in consumer behavior concerning luxury in order to develop effective strategies that revise the luxury experience for contemporary luxury consumers. This study contributes to the luxury tourism and hospitality literature by showing how service providers can create the prerequisites for facilitating a luxury tourism service experience. Building on narrative interviews, this study explores experiential luxury. Moreover, as previous studies on experiential luxury have been conducted in countries with a cultural background that represent quite traditional forms of luxury (e.g., the USA and Asia), the existing literature on new luxury is based on a narrow background. This study, therefore, aims to enrich our understanding of luxury in a rather unconventional context and argues that a contemporary luxury tourism experience can be based on other things than previously assumed.

Developing and marketing Finnish luxury tourism requires an understanding of how to define “Finnish luxury tourism”, as well as an understanding of the prerequisites for the luxury service experience. There is also the theoretical question of how new luxury, e.g., experiential luxury and culture are intertwined. Therefore, the first objective of this study is to investigate how service providers understand and define the concept of Finnish luxury. The second objective is to determine the prerequisites for providing a Finnish luxury tourism experience. This study aims to answer these questions by interviewing Finnish tourism and hospitality service providers who are involved in luxury tourism service provision and are planning to develop it.

This article first explores the concepts of a luxury experience and experiential luxury as these concepts are a little obscure. The article then introduces studies on luxury tourism, explaining the needs of the contemporary luxury traveler and requirements from a service provider. Then it presents the research methodology employed and the findings of the study, which are discussed. Finally, the paper draws conclusions from the study, considers both theoretical and managerial implications and the limitations of the study, offering suggestions for further research.

2. From luxury experiences to experiential luxury and luxury tourism

With the rise of luxury experiences, luxury has become more subjective (Tynan et al., 2010) and inconspicuous (Kapferer, Klippert, & Leproux, 2014), which means that from the consumer's perspective, luxury no longer includes simply extravagant products or experiences in enclaved, luxurious spaces and contexts (Bauer, von Wallpach, & Hemetsberger, 2011). Instead, experiences of luxury can include experiences of time, space, authenticity, community, individuality, and well-being (Yeoman & McMahon-Beattie, 2018). Therefore, luxury has changed from pure materialism and has moved to include experiences and aspirations (Yeoman & McMahon-Beattie, 2011) and it serves self-interests more than status (Bauer et al., 2011).

Additionally, luxury can be integrated into consumers' everyday lives, where any material thing or experience might be perceived as luxurious if consumers attach a luxurious meaning to it (Bauer et al., 2011). Luxury is “ultimately associated with the joy of living, referring to pleasurable feelings such as warmth, joy, amusement, and felicity” (Hemetsberger, von Wallpach, & Bauer, 2012, 486). Therefore, luxury experiences are an opportunity to live out different selves, which is

reflected by symbolic consumption and indulgence in special moments, and through activities that can also be moments of harmony, self-enhancement, and self-ascendance (Hemetsberger et al., 2012). Behind a luxury experience there can be various needs and meanings derived not only from hedonic experiences, where the focus is on happiness and pleasure (Holbrook & Hirschman, 1982), but also including eudaimonic well-being (Hemetsberger et al., 2012), where the focus is on a persons' meaning and self-realization and affords personal growth and development (Waterman, 1993).

This search for happiness and meaningfulness enables people to transform their identity and sense of self through luxurious experiences, making memories, and learning new things (Hemetsberger et al., 2012). It creates a continuous desire to indulge the self with unique, emotional, and memorable experiences (Kapferer, 2015) and to seek novelty and change (Yeoman & McMahon-Beattie, 2011). According to Kim (2018, 280), “consumers can engage in luxury experiential consumption to satisfy the desire for exclusivity, in addition to the desire to live well and to engage in a wide range of valuable moments.” From the industry perspective, this means the growth of experiential luxury services, which is forecasted by the year 2022 to account for nearly two-thirds of the total €1135 billion luxury market (D'Arpizio, Levato, Zito, Kamel, & de Montgolfier, 2016).

Experiential luxuries include things such as luxury travel, fine dining, and pampering services (Kim, 2018), which are common in tourism experiences. The base of the ever-increasing luxury market is in luxury travel, and it is strongly driven by tourist spending (Bain & Company, 2014). Even though luxury travel products, such as five-star resorts and cruises, attract large numbers of tourists, luxury tourism is an under-researched segment (Park et al., 2010). Additionally, it is recognized that luxury is firmly attached to tourism, as traveling itself is seen as a luxury product (Bhati, Hoong, Fong, & Kaur, 2014) and tourism is allied with luxury (Correia, Kozak, & Reis, 2014).

Most of the meanings attached to luxury tourism are related to social status, which means the higher the person's status, the less likely the status as a value will affect their holiday choices (Correia et al., 2014). In a study by Correia et al. (2014), celebrities defined luxury tourism as being with their families in quiet, private resorts where hedonic values prevailed. However, ordinary people perceived it as a different, exquisite, and thrilling experience. Even though the study by Correia et al. (2014) is not generalizable, it provides a perspective on how consumers see luxury tourism in the contemporary, democratized luxury market.

There are no general definitions of luxury tourism or a luxury traveler (Bakker, 2005). Luxury tourism is often defined by a variety of products and hospitality services ranging from unusual scenery, cuisine, and breathtaking decor to an integrated travel experience (Tarlow, 2012) possibly characterized by privacy, space, and experiences included with services in a foreign culture (Fox, 2011). It is traditionally associated with resorts equipped with high-quality interiors and service structures (e.g., Brenner & Aguilar, 2002). However, Uriely (2005) notes that the luxury traveler segment is heterogenic, and luxury tourism should be based on tailor-made services rather than ready-made packages represented by resorts. Furthermore, accommodation in luxury tourism might not necessarily have to be five-star standard anymore; rather, the remoteness of the location and personalization of the trip may make it a luxury holiday (Bakker, 2005). The essence of a luxury holiday is about realizing a passion (Bakker, 2005) and escaping everyday life (Correia et al., 2014).

Contemporary luxury travelers' prefer real, unique, authentic experiences in unspoiled destinations, which stimulate them physically and intellectually, adding novelty to their lives (Yeoman, 2008). As luxury in tourism approaches a more inconspicuous form of consumption, authenticity is a desired value, signifying more profound, more meaningful experiences (Yeoman, 2008). Therefore, luxury in tourism means enrichment, personal development, and self-actualization (Yeoman & McMahon-Beattie, 2011). Trip-related factors, such as the

purpose of the trip, the travel party, and the experience continuum influence the consumer experience of luxury services (Walls, Okumus, Wang, & Kwun, 2011).

From the service providers' perspective, to successfully offer the best possible prerequisites for a customer experience, service providers must understand customers' needs and expectations (Haeckel, Carbone, & Berry, 2003). Companies can only create the circumstances for the customer experience, as the experience is felt within the individual and the outcome depends on how that individual, in a specific mood and state of mind, reacts to the interaction in a staged event (Mossberg, 2007). With experiential luxury, this means that the luxury marketer's ultimate challenge is to maximize the consumers' luxury experience, possibly by designing products with features and attributes that create expectations of a luxury experience (Danziger, 2005). These features and attributes can be described as clues which create expectations of the service (Berry, Wall, & Carbone, 2006). The clues can be categorized as functional, mechanic, and humanic clues, and they play specific roles in creating the customer's service experience as they influence both rational and emotional perceptions of the service quality (Berry et al., 2006). A sense of luxury in luxury tourism comes from the cost of the experience and time, which means a hassle-free and convenient experience which is unique and provides prestige or social status (Bakker, 2005). Furthermore, quality and specialness not available to the masses are valued (Danziger, 2005).

Previous studies have described luxury-evoking signs or clues mainly from the consumers' perspective. For example, in luxury restaurants a feeling of luxury arose from the price, food quality, service, physical environment, and the emotions it evoked (Lee & Hwang, 2011). In a luxury hotel context, the physical environment and human interaction should be congruent in order to evoke the expectation of luxury (Walls et al., 2011). A study by Harkison, Hemmington, and Hyde (2018a) on the luxury accommodation experience combined both service providers' and consumers' perceptions, which according to them were created through the ethos of the properties, comparisons between the properties, setting the stage, the actors' performance, guidance, and co-creation.

The aim with a luxury experience is to give to the customer something out of the ordinary, which will envelop and engage with the senses to support a unique experience (Harkison, Hemmington, & Hyde, 2018b). However, it needs to be noted that service providers in the luxury industry must continually improve, redefine and enrich the luxury value because what was once luxurious and extraordinary becomes quickly ordinary and the feeling of specialness is lost (Danziger, 2005). That is, customers' expectations of luxury change as they experience luxury, which creates a challenge for service providers' as they need to continuously develop their services for their customers by providing what they are looking for and expecting from luxury. As the concept of luxury is constantly evolving, this study explores perceptions of luxury in the luxury tourism service experience and its' prerequisites. The study extends the perception of luxury from the perspective of consumers to that of service providers. In doing so, it brings new value to the academic discussion of luxury.

3. Method

The approach of the study is qualitative and narrative interviews were chosen as the data collection method because this allows a phenomenon to be explored intensively and widely from the participants' viewpoint (Eriksson & Kovalainen, 2008). Narratives also provide a natural way of considering luxury products (Ardelet, Slavich, & de Kerviler, 2015) as luxury conveys stories more than mere facts, bringing certain passions, pleasures, and emotions into the consumers' lives (Wittig, Sommerrock, Beil, & Albers, 2014). In a narrative interview, participants are encouraged to talk in their own words and express their viewpoints. Due to the subjective and emotional dimensions of luxury, narratives may, therefore, be better suited to describing experiences

than analytic processing (Ardelet et al., 2015).

The research approach of this study is interpretive, holistic, and contextual, in which the world is seen as socially constructed and subjective. Perceptions and experiences may be different for each person and may change over time (Eriksson & Kovalainen, 2008). For the researcher, knowledge, and understanding of the context are crucial because the meanings and the social constructs are context-based (Hudson & Ozanne, 1988).

To begin the interviewee selection process, a list of eight luxury tourism companies was obtained, provided by the Finnish National Tourism Board. To exclude the possibility of subjectivity regarding any one source and to ensure the selection process was based on the companies' own offering and included international luxury travel, Internet searches were conducted with the words luxury holiday, luxury travel, luxury experience and luxury tourism in Finland. The sample was further confirmed by selecting companies which appeared on a minimum of three trustworthy webpages referring to luxury tourism experience in Finland. The National Tourist Board list and Internet searches provided a final list of seventeen companies operating in the tourism and hospitality business. Initial contact was made by e-mail. If a company did not reply to an interview request, two subsequent reminders were sent. Two companies declined the interviews citing seasonal reasons and busy schedules. Four companies did not respond to the invitations. Thus, the data was collected in narrative interviews from eleven Finnish luxury service providers operating in the tourism and hospitality sector. These are presented in Table 1.

The companies were of different sizes, their staff numbers varying from 2 to 150 full-time employees, with additional part-time employees during seasonal peaks. The companies had operated from 3 to 130 years. Three of the companies were part of a larger hotel group; the rest were privately-owned companies. Four of the interviews were conducted in the metropolitan area in Southern Finland, and five in Lapland, which are Finland's main tourist destinations. Two of the companies operated in other regions.

All the interviewees worked at a managerial level or were the owners or founders of the company. Five of the interviewees were female and six were male. The ages of the interviewees varied from 31 to 56 years old. The interviewees had been working in the hospitality and tourism industry from 5 to 38 years. To maintain the anonymity of the companies and interviewees, the locations of the companies and demographics of the interviewees are not presented in Table 1.

The interviews were conducted in Finnish between February and June 2018. The interviews lasted from 50 to 90 min and were recorded and transcribed. The data collection was carried out at the respondents' venues, enabling the researcher to become familiar with the locations, the service-scape, and the companies themselves. At the beginning of the interview, the researcher explained the research ethics and the aims of the study but did not make any presumptions or define the topic. After briefly covering some background information concerning the company's operations, the interviews began with the question of how

Table 1

Informants, their position in the organization/company and luxury service sector of operation.

Interviewee	Position	Luxury service sector
1	Chief operating officer	Private travel company
2	Chief executive officer	Hotel
3	General manager	Hotel
4	International sales manager	Hotel
5	Resort manager	Private villa
6	Restaurant and front office manager	Hotel
7	Chief executive officer	Private travel company
8	Chief executive officer	Private travel company
9	Marketing manager	Hotel
10	Chief executive officer	Hotel
11	Chief executive officer	Private villa

the interviewees defined luxury and what elements of it existed in their company.

As a narrative interview is often pre-planned, yet conversational, it can include topics from the immediate context which may produce unanticipated insights (Eriksson & Kovalainen, 2008). Therefore, following the narrative method, the service providers were encouraged to talk freely and uninterrupted. When necessary, more detailed questions were posed to enhance the understanding of the phenomenon. This elicited further conversation to develop a rich description of service providers' experiences. The guiding list for the interview questions is presented in Appendix A.

A qualitative content analysis was chosen as an analysis method as it suits multifaceted and fragmented research phenomena, where the aim is to attain a concise and broad description (Elo & Kyngäs, 2008). The outcome of the analysis are a set of classified categories which share the same meaning describing the phenomenon (Elo & Kyngäs, 2008). In forming the categories, abductive logic was applied. The categorization was based on pre-understanding the previous literature with luxury tourism experiences forming categories of features referring to the concept of luxury in this context. The analysis was crosschecked with two other researchers who were familiar with the topic and the context to validate similarities in the findings.

4. Findings

This section presents the findings from the interviews, answering the research questions concerning the service providers' understanding and definitions of Finnish luxury tourism and the prerequisites for a luxury service experience. First, the section explores the factors affecting how the service providers understood luxury in order to facilitate it. Then it presents the service providers' perceptions of Finnish luxury. Finally, the features of the service experiences in luxury tourism, according to the interviewees, are presented. The findings have been clarified by including the most representative quotations from the interviews to illustrate the phenomenon.

4.1. Factors affecting the service providers' own understanding of luxury

All the interviewees expressed the factors affecting their understanding of luxury service provision from three perspectives: their own experience of luxury, the context they operating in, and the customers' expectations. These factors formed the core understanding of what luxury was for the interviewees, providing a framework of how they see the opportunities of the service provider to facilitate the service. The premise was that the service provider needs to understand all sides of the core in order to facilitate a luxury experience for consumers since all core elements overlap and are in continuous interplay. These factors are presented in Fig. 1.

The service providers' own experiences of luxury were related to

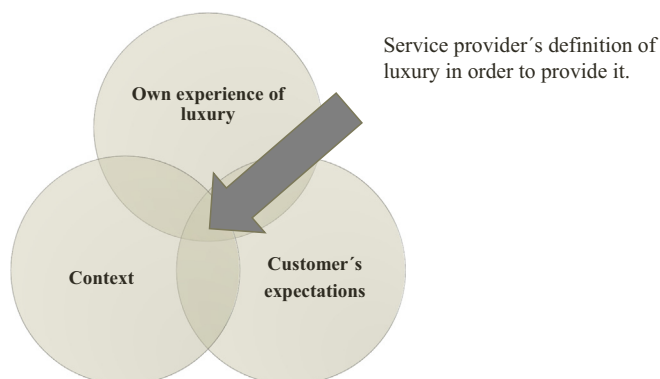


Fig. 1. Factors affecting service providers' perceptions of luxury.

their experiences abroad as customers or while working in an international service organization. These experiences and service encounters have been attached to the traditional version of luxury and were seen as a vital part of how they facilitated a luxury service in the contemporary market. This made the interviewees' own definitions of luxury broader. The interviewees' own experience of luxury did not correspond to their personal images of luxury.

"...You need to experience these things; you can't just read everything from books and then provide it.... I have been around the world and seen the kind of luxury that you really cannot even imagine, and they are doing amazing stuff." (Interviewee 2)

According to the interviewees, the traditional version of luxury does not suit Finnish culture and would not provide an authentic experience. Therefore, it was seen as essential to rely on the strengths that come from the culture and context.

"We have been a poor nation, and that has affected our understanding of luxury. It is in our identity. Finnish luxury is not going to be like luxury in Dubai, on that scale, like gold, and who has the biggest limousines. We can't do that here." (Interviewee 3)

Society and societal values affect the provision of luxury. Finnish norms and legislation limit business operations; however, they also provide a basis for operating in the industry. This supports a feeling of safety as a feature of the luxury experience. The interviewees stated that operating is easy as everything functions well in Finland because of the proper infrastructure and legislation. However, it sometimes required the service provider to explain why things are done in a certain way to the customer. Finns are seen as a modest nation, and Finland is regarded as an affluent society; a welfare state where decision-making is based on rational choices, aimed at advancing the long-term development of society.

"I believe the Nordic welfare society affects how we facilitate luxury. We don't build formula one courses just the sake of it. Society functions, we have norms, for example, for sustainability or how companies are organized, and people respect them, and from there also comes safety." (Interviewee 7)

The interviewees expressed that in the Finnish context, sustainability in all its forms is one of the basic values attached to the meaning of luxury. Authenticity and sustainability were components that the service providers were not willing to change in their product, as they were seen as vital to new luxury experiences. The feeling of safety was seen as arising from the context.

The interviewees stated that the customers' expectations of luxury take shape partly from the customers' personal reference frame of luxury and partly from their image of a place. The service providers attempted to understand their personal, subjective framework of luxury from the very first moments with the customer.

"If you have lived in India, where you have numerous servants, the expectation will be very different compared to those who have never seen a person standing next to a door just welcoming them as they arrive. And they are both using the same service." (Interviewee 3)

As the customer might expect a traditional version of luxury, the interviewees stated that a continuous balancing of expectations and authenticity stemming from the Finnish context was required. However, many of the interviewees noted that meeting the expectations of customers from very different cultures was the most demanding yet memorable aspect of providing a luxury service.

"...These moments in business when you get to do things that are so extravagant compared to the Finnish scale. Someone may have a list of 150 things he would like to have in his room. We are not used to that, as in Finland no-one has such lists or demands..." (Interviewee 9)

To summarize, the factors affecting the service providers' understanding of luxury form an intersection between their own experiences with luxury, the context they are operating in, and the customers' expectations. These factors are in continuous interplay and require balancing with every customer. The context affects the authenticity of the experience, and in the Finnish context, features such as sustainability and safety are seen as essential attributes of service provision.

4.2. A definition of a Finnish luxury experience

All the interviewees shared the opinion that Finnish luxury comes from the destination's own strengths, making it unique, authentic and valuable. The interviewees said that while Finnish luxury might be considered simple, it is meaningful, special and deeply in the moment. The core of the experience comes from nature, purity and encounters with people. Nature provides tranquility. Purity stems from nature and local food. Encounters with people arise from their presence in the situation. According to the interviewees, luxury in Finland is characterized by small but versatile moments within a holistic experience built around nature and well-being. This simplicity, while commonplace for locals, is experiential and authentic for the traveler.

“What luxury we have and what we are offering to our guests is nature, purity in all its essence, people and encounters, and something that no longer exists elsewhere. It is something unique in a place or moment that gives a good feeling, value, and emotions that support your personal image, making you feel special. Facilitating this as a product can be challenging, because it is self-evident to us and not automatically perceived as a luxury, and we are translating that to the consumers so that they will understand it.” (Interviewee 1)

According to the interviewees, a luxury experience requires a variety of features that support each other to create a feeling of luxury. All the interviewees noted that the material features serve as a base. Moreover, the experience is completed by encounters with people and how the service is delivered during the experience. Storytelling was also seen as a vital part. Ultimately, hints of luxury arise from details and nuances in material products, human interaction with service functionality and immaterial aspects, making it a holistic and multi-sensorial experience. These are subtle touches and gestures which add quality to the experience with aesthetics combined with a feeling of hospitality.

“The accommodation is not the whole experience; it is what happens outside and in encounters with people. If you look around, you see that everything is well thought out; every detail has a meaning and is placed aesthetically in a certain place. From there come the stories. These things need to be right. I also require our personnel to consider this when they interact with customers. In the whole service chain, at every touchpoint of the process, high-quality needs to be built in. It forms the safety, and it forms the feeling of being taken care of and hospitality. Luxury is eventually, little by little, composed of these elements.” (Interviewee 10)

To summarize, a definition of a luxury experience in the Finnish context arises from those aspects that are a natural but valuable part of Finnish culture. Material factors serve as a basis. However, the value comes from adding personal encounters, functional features of customer service and storytelling to the experience, which make it a holistic experience. Various small details in features combined with quality and aesthetics are essential in creating expectations of a luxury experience. A Finnish luxury experience might be simple, but at the same time, it is meaningful, authentic and unique. It aims to add well-being and joy to a person's life, which makes people feel themselves to be special.

4.3. Perceptions of customer service experience and its features

Interviewees operating in areas outside the metropolitan area of Finland expressed that the unique nature and surroundings require guidance and service.

“They come to us because we have the service. We don't put them somewhere in a forest far away and just tell them to survive. Instead, we do things together with them.” (Interviewee 7)

All the interviewees described the actual customer service encounter as warm, in the moment and from the heart. They stated that a good experience requires preparation and situational awareness with empathy, intuition and creativity.

“It needs natural situational awareness with the customer. People need warmth and presence in today's world. The hideous service moments happen when everything is mechanically presented to the customer.” (Interviewee 10)

This was further described as putting yourself in the customers' situation and considering what they felt. The service must be flexible, easy, personal and must give customers the feeling that they are taken care of in every way. Ultimately, the experience is co-created with the customer.

All the interviewees regarded their business as a luxury service company. However, two different approaches in terms of customer service can be distinguished; ordinary luxury and ultimate luxury. These approaches were recognized when the interviewees described their own services and compared their customer service to that of other providers whom they saw as operating on the same or a different level.

“This might sound rude, but I don't mean it that way. They [the other company] think that they are a luxury company and on some level, they are. However, I think they don't operate in the way of ultimate luxury.” (Interviewee 5)

In the ultimate luxury approach, the service and experience are tailor-made for a certain customer, and the experience is totally private. The service personnel remain the same throughout the whole journey with the customer.

“Every customer has their own guide to ensure that everything goes well, and the customer doesn't need to wonder who will pick them up today or how the kids will react to a different person... it is a complete, holistic, and smooth experience.” (Interviewee 1)

Moreover, consumers using the services are different. In ordinary luxury, the customers are a mix of “money is not an issue” customers and regular customers, whereas in ultimate luxury the customers are only wealthy customers for whom money is not an issue. Different consuming habits pose a challenge for the service provider, as the needs and expectations regarding luxury and service may vary greatly depending on the customers' frame of reference for luxury. All the interviewees noted that knowing the customer was valuable. However, in an ultimate luxury service, where the service personnel is the same throughout the whole experience, a greater understanding of the customers' needs and wishes were seen as essential.

“As we are not offering any bulk products, it is essential to know the customer. We ask before their arrival what kind of vacations they are used to and what they wish for on this holiday. And we continuously balance their wishes and expectations with what we have here.” (Interviewee 1)

According to interviewees, in an ultimate luxury service, the relationship is taken to another level where it is more akin to a host and guest or even a friend-like relationship.

“I think that I become friends with them, and then they open up more and talk about their dreams and wishes and ask about

everything. Then it is easier to respond to those needs and dreams that they don't even tell you about...They don't feel that they are in a customer-service provider relationship, it is something totally different." (Interviewee 5)

In this friend-like relationship, the ultimate luxury service providers recognize a certain trust, and they continuously guide the customers through their experiences, making everything easy and flexible for the customer.

"Our customers don't want to worry about a thing. They don't have to think about what is included in the price and what is not, so ease and unconcern are the aspects they are searching for." (Interviewee 1)

To summarize, the perception of the customer service experience in luxury service provision includes flexibility, ease and comfort. These are the key elements in customer service. However, the service needs to come from the heart of the service personnel and it should be present in the moment, so that customer gets a feeling of hospitality and being taken care of. The experience is co-created with the customer. The level of privacy affects the service relationship and experience making it an ordinary luxury or an ultimate luxury.

5. Discussion

This study aims to build an understanding of how service providers understand the concept of luxury and what the prerequisites are for a luxury service in Finland. The study broadens the definition and explores the features of luxury.

The interviewees perceived luxury as a dynamic and evolving concept, where traditional and new forms of luxury exist side by side, making it a multidimensional concept. The definition of luxury is broader in the contemporary world, and while some features are different, certain features such as high quality are present in both versions of luxury. The literature often separates versions into different classifications with their specific features (e.g., Danziger, 2005; Laurent et al., 2005) and focuses on differentiating the concepts. However, the findings of this study are in line with Godey et al. (2013) who represent traditional luxury as a form of conspicuous luxury or status, and new luxury as an emotional, hedonistic form of luxury, with features such as quality, elegance, exceptionality and aesthetics present in both versions of luxury. Hence, this study also answers to the call by Godey et al. (2013) for further research offering a more detailed understanding of the interpretation of the features that are present in both versions of luxury.

Seeing luxury as a multidimensional concept has affected the service providers' understanding. Danziger (2005) notes that the consumers' experience of luxury and the feeling it gives them is what luxury is all about. The perceptions of individuals create their experiences of the world, giving them conceptual knowledge based upon and derived from this awareness, allowing people to act within their environment (Efron, 1969). Therefore, the service providers' own experiences with luxury might be essential in understanding it fully. Luxury is a culture you must know thoroughly to practice properly (Kapferer & Bastien, 2012).

As luxury is allied with cultural and societal values (Kapferer & Bastien, 2012), the traditional kind of luxury with material features such as gold and marble would not suit the Finnish context. Instead, Finnish luxury comes from values that are unique and natural to Finns, such as their relationship with nature, providing prerequisites for authenticity. Therefore, the base for Finnish luxury is a combination of elements that may seem simple from the perspective of traditional luxury. It is, however, in line with the understanding that luxury is contextual and tied to unique know-how, heritage and culture (Kapferer & Bastien, 2012). Additionally, societal values provide a basis for such aspects as safety and sustainability. Even though sustainability and luxury are sometimes seen as contradictory ideas (Swarbrooke, 2018),

Kapferer (2015) sees it as a way to create a more meaningful luxury experience. This study is consistent with the view that merely having more staff and traditional material features of luxury do not create a luxury experience; instead, they create an expensive experience that may even be the opposite of a truly luxury experience (Harkison et al., 2018b).

Providing the prerequisites for a luxury experience requires knowing the customer and having a deep understanding of the customers' personal frame of reference of luxury, as this varies greatly depending on the customer. The prerequisites for excellent service delivery lie in understanding the customer's expectations (Parasuraman, Berry, & Zeithaml, 1991). However, as new luxury is based on different factors compared to traditional luxury and there is no clear definition of its characteristic features, responding to the customers' expectations was considered to be more challenging, requiring a continuous analysis of the service provision and balancing it with the customers' wishes and the context.

In order to facilitate a Finnish luxury experience, the service providers' understanding of luxury is in a continuous state of interplay. The Finnish context and culture seem to affect not only the authenticity of the experience but also the meaningfulness. The service providers' own experience, and on the other hand, the customers' expectations of luxury provide an understanding of the elements required for luxury, such as aesthetics and quality. Together these form prerequisites for the customer to feel special and enjoy a unique experience. This threefold understanding affects how a luxury experience is facilitated, which in the Finnish context aims to support the creation of hedonic or eudaimonic well-being.

The interviewees noted that creating the prerequisites for service provision in a luxury tourism experience requires considering various details and that material factors serve as a base. The findings are in line with Walls et al. (2011), who suggests that in the luxury hospitality context, a wide variety of factors must be taken into account. While material features are regarded as significant in the overall touristic experience, the physical environment alone does not produce a truly luxury experience, rather human interaction and co-creation are as substantial factors (e.g., Harkison, 2018). Furthermore, a luxury service experience requires functional clues, where the ease and flexibility of the service become the focus. Even though service quality was seen as important by the interviewees, this study extends Pütz-Willems (2007) view that a contemporary luxury service should be seen as less formal, free from a rigid atmosphere and more as a professional service with a friendly touch. In this study, customer service was described as friendly, with joy in the service, and with such expressions as "from the heart" or "being in a moment." Furthermore, the service provider wanted to step into the customer's shoes to see things from their perspective, aiming to meet the needs of the customer and possibly exceed those expectations, which is consistent with the study by Lee and Hwang (2011).

Based on the findings, all these factors work as clues and are essential to create expectation of the luxury tourism service experience. Furthermore, in this study, the service providers emphasized the significance of storytelling as a part of their service provision as it helped to combine material features and human interaction making a holistic and more meaningful experience. Research into experiential luxury has not yet acknowledged the role of stories (e.g., Cetin & Walls, 2016; Harkison, 2016), although behind almost every luxury brand there is a great story as they usually have a strong brand heritage (Wittig et al., 2014). Storytelling supports the idea of a service-scape which allows the consumer to step away from everyday reality, which is seen as mandatory in hedonic service consumption, enabling the service provider to facilitate an extraordinary experience and to make it holistic (Mossberg, 2008).

In contrast to previous research in which the presence of other customers is seen as a particularly salient feature in a luxury environment, this research demonstrated the aspect of privacy, which was seen in this study as a criterion for ultimate luxury. Privacy in a luxury

experience affects the service structure, the process and the whole atmosphere of the experience. Exclusivity has been an existing attribute in luxury. However, the findings of this study support [Cristini et al. \(2017\)](#), who see that ultimate luxury consists of three features: exclusivity, creativity, and excellence. Our research findings suggest that luxury, aside from its multidimensionality, can be seen to exist on different levels of luxury tourism; ordinary luxury and ultimate luxury. As the data showed, the interviewees said that customers who purchased ultimate luxury services are those for whom money is not an issue. This is in line with [Thurlow and Jaworski \(2014\)](#), who recognize that the true elite use privately owned and tightly managed services which are beyond the reach of the normal consumer.

The study findings imply that ultimate luxury services are practicable in smaller, privately owned companies, while larger companies are more suited to providing ordinary luxury services. This is due to the differences in the service structure; large companies are not able to control the entire holistic customer experience on the level that small companies can. Even though both offer tailor-made products, with ultimate luxury, the level of service is more personal and every product is composed from the beginning according to the customer's wishes. However, ordinary luxury is based on ready-made service product packages, which can be combined to achieve a more tailor-made package. This study is in line with the findings that luxury lodges offer guests a more varied selection of different types of experiences than luxury hotels ([Harkison et al., 2018a](#)) and also that small size firms engage with customers on a more personal level ([Yachin, 2018](#)).

Ultimate luxury is a form of hospitality, which is more than merely high-quality service. Hospitality is essentially a relationship based on hosts and guests, where the feeling of hospitality comes from the host's generosity, desire to please and a genuine regard for the guest as an individual ([Lashley & Morrison, 2000](#)). In ultimate luxury, service providers expressed that they were willing to control the entire experience holistically and that the relationship was more than just a service provider-customer relationship as they responded to the guests' personal needs. Importantly, they also noted that the customer should not have to think about which aspect of the service was part of the product and which was not. The service provider aims to focus on the guests' experience and attempts to stimulate all five senses with personal and memorable experiences, which according to [Hemmington \(2007\)](#) will add value to their customers' lives. The more unique and memorable the experience, the greater its value ([Pütz-Willems, 2007](#)).

Along these lines, the research findings suggest that with the concept of luxury, the service provider learns from the industry and the expectations of the customers. The provider then adapts to the context in order to facilitate a luxury experience. A model of the factors that describe the service providers' perceptions is shown in [Fig. 2](#). In Finland, the provision of luxury tourism services is influenced by various Finnish cultural and societal values that form an authentic and unique experience. It may seem simple and unconventional if it is compared to the traditional understanding of luxury. The service providers aim to add meaningfulness to the product through features such as authenticity, storytelling and sustainability. Meaningfulness answers especially to the needs of consumers in mature luxury markets ([Wittig et al., 2014](#)). A luxury experience is co-created. From the service providers' perspective, the prerequisites of the service consist of multiple details required to achieve a multisensorial and holistic experience. Material features of luxury serve as a basis for the experience. However, the value derives from humanic clues such as interaction and encounters with people as well as immaterial features such as storytelling. The functionality of services such as their ease and comfort create the expectation of receiving a luxury service and aim to give a customer a feeling of hospitality and being taken care of. The ultimate luxury experience is formed in privacy, which is a feature that is more practicable in small tourism companies. The majority of Finnish service providers aim to provide hedonic or even eudaimonic well-being experiences, where the customer is made to feel special.

6. Conclusions

6.1. Theoretical implications

Luxury has undergone a transformation and is moving toward experiential consumption. Although there has been research on luxury contexts, there has been a lack of research of luxury services and into how the prerequisites for new forms of luxury, e.g., experiential luxury, are created, especially from the perspective of the service provider. Therefore, this study contributes to experiential luxury and luxury tourism research by presenting features of a luxury experience and service provision in the Finnish context. Additionally, the study further extends the perspective on luxury, as mostly all the current experiential luxury research has been conducted in the context that usually supports traditional luxury with all of its typical material features. Therefore, the findings of this study broaden the definition of new luxury, as Finnish luxury is unconventional and simple as it is inconspicuous. Additionally, it is based on factors that may be hard to productize and understand as a luxury, such as the purity or tranquility of nature, if the lens used to concentrate on luxury is a traditional one. This study shows that a luxury experience is more than the material features traditionally attached to the idea of luxury, as they might be the opposite of traditional luxury to a certain degree. This study further extends the understanding of luxury by showing that some features of luxury are present in both traditional and new forms of luxury.

The findings of this study provide details of the service features behind the provision of luxury tourism services. The prerequisites facilitated by the service provider aim to give the customer an authentic, unique, extraordinary and holistic experience. This study also extends the view of a luxury experience with the features of sustainability and storytelling, which are rather common features in the tourism literature but have not been widely acknowledged in the luxury literature. With these features, the service provider aims to enrich the consumer's experience so it becomes more meaningful. Therefore, in the Finnish context, the service provider aims to provide a customer with the prerequisites for a hedonic or even eudaimonic well-being experience, which aims to make the customer feel special.

The most valuable finding of this study concerns the different levels of luxury service provision, as the feature of privacy and its implications for the service provider have not been previously researched. The aspect of privacy is essential for the facilitation of ultimate luxury. The findings also add to the body of knowledge in the hospitality literature as [Telfer \(2000\)](#) has questioned whether true hospitality can be provided in a commercial context, considering that the tension between generosity, which is one of the features of hospitality, and the economics of business, i.e., the financial control over the product, are constantly reminding the guest of the economic relationship. From this point of view, the ultimate type of luxury described in this study can be the closest form of genuine hospitality in a commercial context.

6.2. Managerial implications

This study extends the view that besides traditional, conspicuous forms of luxury, operations in the luxury industry may be based on hedonic luxury or even eudaimonic well-being experiences. A luxury experience in tourism is highly personal, and service providers should understand the customers' needs and expectations, which may be based on a variety of emotional and complex factors. From the managerial perspective, this requires continuous learning from the customers and the whole industry. Furthermore, understanding the context they are operating in and the implications of sustainability and storytelling are essential if the aim is to add authenticity and meaningfulness to the experience.

From the managerial perspective, the study suggests that service companies should consider the level of privacy to create one of the prerequisites for ultimate luxury. For example, companies that are now

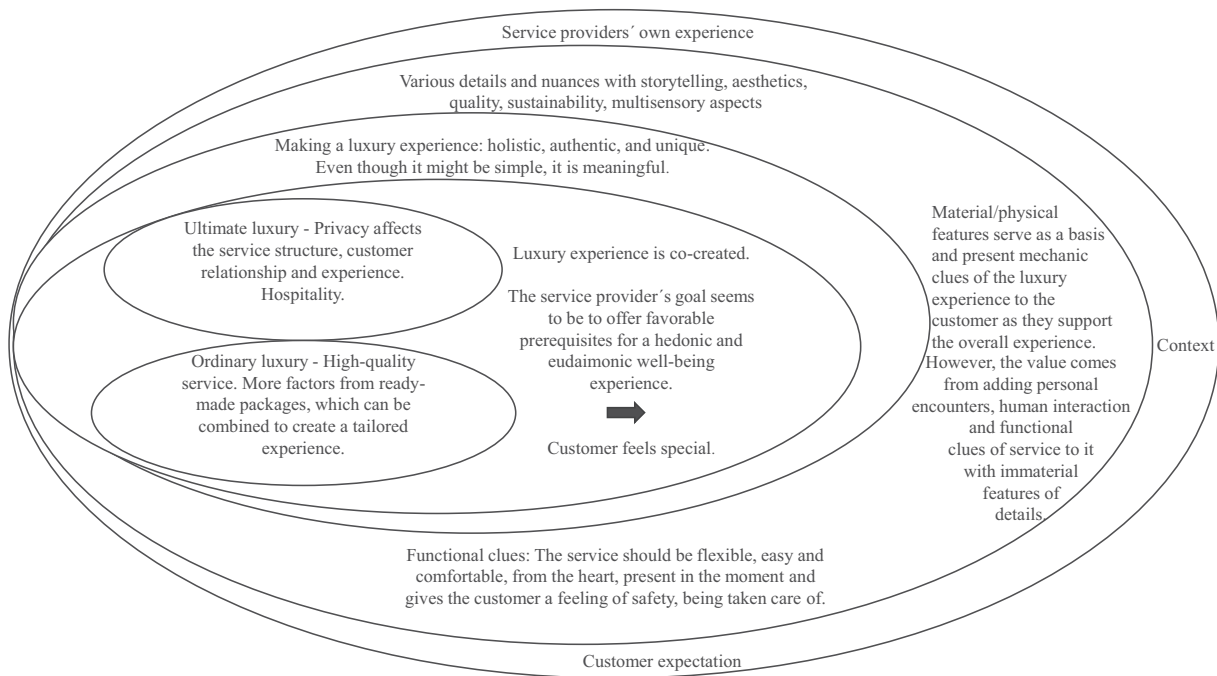


Fig. 2. Construction of the service providers' perceptions.

providing ordinary luxury services could think of new ways to add the privacy aspect to their product selection as it would add value to the consumers' experienced level of luxury.

As a practical result of this study, service providers working in the hospitality sector can learn about the specific features of a luxury service product. Furthermore, by implementing the findings, they will be able to improve their products, leading toward true luxury tourism products. Even if the aim of the service provider is not to operate in the luxury industry, they can probably enhance the quality of their product by implementing some of these findings. Moreover, it would be beneficial to consider whether the findings of the study are applicable to other service sectors besides tourism and hospitality to increase the feeling of meaningfulness. The managerial implications of this study have already been used in Finland to provide recommendations to government tourism advisors to improve the luxury tourism segment and to find new ways to market Finland as a luxury tourism destination.

6.3. Limitations of the study and suggestion for future research

There are several limitations to this research, as it provides a small example of luxury tourism in one country. The study is limited to Finland, which is not traditionally renowned as a specific luxury culture and because luxury is a cultural notion, the results are not generalizable worldwide. Additionally, the number of luxury service provider companies in Finland is not very large. However, recently Finland has gained attention as a luxury tourism destination and therefore a better understanding of this unconventional context could help to increase the

understanding of the phenomenon and possibly help theorize it better in the future.

Furthermore, the positions of the interviewed managers and the companies sizes varied in the study. Some might see this as a limitation; however, it is noted that each company should have a shared cognitive belief system with key actors to guide the managers' attention and to develop the company's operating strategies (Strandvik, Holmlund, & Grönroos, 2014). That is, in this case, how these service providers working at a managerial level define luxury in a Finnish context and what they see as prerequisites for facilitating a luxury tourism service experience. More research on the similarities and differences in this field would be needed to highlight the features of the luxury tourism experience and its service. Furthermore, further research could comprise comparative studies conducted between countries. Finally, further studies on ultimate luxury may add value to the luxury literature.

Declaration of Competing Interest

None.

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Appendix A. Interview guide

Background information of the company and participant

Factors affecting the service providers' own understanding of luxury

How do you define luxury?

What elements of luxury exist in your company?

How do you understand luxury, and what is luxury?

A definition of a Finnish luxury experience

- Could you describe what you understand by the term “Finnish luxury”?
- Could you describe what you understand by the term “luxury experience”?
- Could you describe how you facilitate prerequisites for a luxury experience?
- Perceptions of customer service experience and its features**
- Could you describe what you understand by the term “luxury service”?
- Could you describe what it requires from the service provider?
- Could you describe where the customer gets a feeling that this is luxury?
- Could you describe what your customers' value and seek from Finnish luxury?

Probes for each question: Can you give me an example? What do you mean by that? Could you explain and describe that a little more?

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