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UNDERSTANDING CONSUMERS IN LUXURY RESORTS

– A Case Study of naked Retreats, China

BACHELOR'S THESIS | ABSTRACT

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As the development of economy in China, people living standards is experiencing dramatical improvement, the market of luxury resorts in China has been increasingly prosperous, numerous of luxury resort sprung up in past decade. However, the development of luxury resorts in China is unbalanced, corporations invest a large amount of money in building and operating luxury resorts, the profit is not satisfying. The problem is that companies are focusing on the competition of price and luxury. As the most important elements in operating luxury resorts, high-quality services and creativity are also what consumers expect. Therefore, understanding consumer behavior has become the critical topic for the development of luxury resorts in China. Based on the case study of naked Retreats, this thesis mainly discussed luxury resorts and influencing factors of consumer behavior. Besides, based on the research, there were suggestions related to the enhancement of customer retention on luxury resorts.

The research questions of this thesis involved the analysis of the main influencing factor of consumer behavior in the industry of luxury resorts at the company naked Retreats and the suggestions related to enhance customer retention. Quantitative research was applied during the study, questionnaires was sent to the consumers of naked Retreats by e-mail and Wechat.

The results of this research showed that the factors of family, role and status, economic situation, motivation, perception and social class have significant influence on consumer behavior when considering about travelling in luxury resorts at the company naked Retreats in China, which provided the fundamentals of enhancing customer retention in luxury resorts.

KEYWORDS:

Consumer behavior, tourism and hospitality, luxury resorts, customer retention, China, naked Retreats, quantitative research

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1 INTRODUCTION

1.1 Background

With the rapid development of economy and the improvement of living standards in China, the demand of consumers is tending to be more diverse. The progression of modern service industry is a critical element to measure the comprehensive competitiveness of a country or a region (Wang, et al., 2017, pp. 161-171). During the last two decades, plenty of service industries sprung out in the Chinese market, and those industries are gradually growing to be a new preference of consumption. Tourism, as the typical pattern of the service industry, has witnessed a remarkable development in China. According to the statistics from the World Tourism Organization (UNWTO), China accumulated \$56,9 billions of tourist revenues during the year 2016, which was in the fourth place of World Tourist Revenue Race (UNWTO, 2017, p. 6). As there are abundant tourism resources, the market of tourism industry in China is prosperous. The advantages of tourism industry in China lies in the rich cultural and natural resources, according to The United Nations Educational, Scientific and Cultural Organization (UNESCO), the rank of the amount of world heritage sites are illustrated in Table 1.

Table 1. Countries with the Most UNESCO World Heritage Sites (Sousa, 2017)

Rank	Country	Cultural World Heritage Sites	Natural World Heritage Sites	Mixed World Heritage Sites	Total Number
1	Italy	47	4	0	51
2	China	34	10	4	48
3	Spain	39	3	2	44
4	France	37	3	1	41
5	Germany	38	3	0	41
6	Mexico	27	6	1	34
7	India	27	7	1	35
8	United Kingdom	25	4	1	29
9	Russia	16	10	0	26
10	United States	10	12	1	23

However, famous tourist attractions are always full of international and domestic tourists, in other words, it is difficult for tourists to relax and enjoy the journey, the travelling experience could be affected. People who lives in cities have a fast-pace living style in China, they are expecting an opportunity to escape from the noise and pressure to refresh and rejuvenate themselves (Heung & Kucukusta, 2012, p. 102).

In recent years, the number of people in the middle and upper classes has increased gradually in China, which provides more options for them to create a suitable life style. The demand for long-distance leisure travel and more luxury experiences have increased as well (Tiffany, 2015). The luxury consumption rate in China is experiencing a fast growth (Atsmon, et al., 2011, pp. 1-5), especially in the industry of entertainments, education and health care related programs. Consumers in middle-high classes prefer to pursue mental enjoyment, they are not only satisfied by physical consumption, but the experience when they are consuming.

The concept of luxury has been defined differently. It is now “luxury” for people to get closer to nature, to spend a free weekend with their families or get rid of all stress from work and enjoy the inner peace in China. In the background of knowledge-based economy, people keep pursuing physical health and self-enhancement, thus making higher requirements for tourism. With the main purpose of sightseeing, recreation and recuperation, luxury resorts have been developed for consumers who requires the extremely high standards of comfort, privacy and luxury (Olteanu & Popescu, 2014, p. 320). The market of luxury resorts has become more and more developed and diverse in China, geographically, no matter remote natural forest or fantastic coastal landscape can be found easily, which provides the position condition for the industry of luxury resorts. Due to the unique location, relaxing atmosphere and fantastic experience, the consumers of luxury resorts have increased at an amazing rate. However, prosperous market cannot be separated with competition, the fierce competitiveness among luxury resorts is the main issue need to be considered. As it is easy to fail by insisting the typical pattern of resorts in this industry, people consume for a different enjoyment in luxury resort (Mattia, 2016). The main competition is mainly origin from the groups of consumers, because consumer behavior is influenced by their background and living experiences, which is hard to be controlled compulsively. Companies need to focus on understanding what consumers want, then, be creative to improve the quality of luxury resorts to attract consumers.

1.2 Research questions and objective

Consumer behavior plays an important role in the development of luxury resorts, therefore, the analysis of influencing factors of consumer behavior becomes essential for companies to come up with effective measures to expand market share in luxury resorts over competitors.

The research objective is to explore the current situation of luxury resorts in China's marketplace and characteristics of consumer behavior in the industry of luxury resorts. The research method used was quantitative research, an online questionnaire was designed to collect data from the customers of the company naked Retreats (the "n" of "naked" in the official name of the company is a lowercase),

The research questions of this bachelor thesis are:

- Which are the main influencing factors of consumer behavior in the industry of luxury resorts in China? A case study of naked Retreats.
- What should naked Retreats do to enhance customer retention?

1.3 Motivation

With the development of tourism in China, luxury resorts have been expanding in a stable market environment. Nonetheless, the profit of this industry is not increasing as much as the scale of the industry. Only when the company provides customers with what they need and want, can it produce better products and services (Makens, 2014, p. 166). The critical element in any kind of business is to know and satisfy consumers' expectation or even potential motivation of consuming, especially in hotel management and tourism which mainly focus on improving the quality of services and consumer experiences. According to the realistic situation, the priority will be given to analyze factors that influence consumer behavior. Then, the corresponding influence on the operation and development of luxury resorts could be much more obvious. Companies are able to take sensible measures to optimize the industry chain and provide consumers with products and services in higher quality, which makes the company in a more competitive position in marketplace.

During my internship in naked Retreats, surprisingly, luxury resorts has been the strongest advantage for the company naked Retreats. Although the business model of the company is not perfect, what has been learned about the company on developing of luxury resorts was worthy to be shared by the author. This was the reason why I decided to combine the research with the company naked Retreats.

1.4 The case company: naked Retreats

This thesis was combined with the internship at the company naked Group. The company naked Group was founded by Grant Horsfield in 2011, the headquarter lies in the city center of Shanghai. naked Retreats is one of the branch company of naked Group, the main business is to operate luxury resorts. (naked, 2015) Another branch company is called naked Hub, which focuses on the business of Co-working, the public working space. The reason why I mention naked Hub is that naked Hub can be seen as a marketing strategy of luxury resorts, which will be clarified later in this thesis. Currently, the main business of naked Retreats is to operate three luxury resorts, naked Stables, naked Castle and naked Sail. Apparently, there are five more upcoming luxury resorts in 2018.

Talking about the business of luxury resorts in naked Retreats, the aim of the company is to encourage people to retreat naturally with enjoyment and luxury. The company offers unique and unforgettable experiences that are different from all other resorts in China. Specifically, nature, sustainable development, creative and fresh design and excellent consumer service are the features of the resort. (naked, 2015) During the six years of management, the company has already established a widely acclaimed brand image. Consumers can not only peacefully engage with nature to release the pressure from work and noisy city life, but experience abundant stimulating and meaningful programs to open their mind and explore the potential happiness.

2 BRIGHT FUTURE FOR LUXURY RESORTS IN CHINA

2.1 Tourism at a glance

Tourism consists of a long industry chain, such as transportation, accommodation and food & drink industries which play an essential role in promoting the development of social economy and the increase of employment rate. Furthermore, when it comes to luxury resorts, butler services and the maintenances of the resorts requires a higher demand of human resources. Therefore, the needs of employees in luxury resorts is relatively higher than other similar industries. Then, a trip in luxury resort is not cheap, especially when consumers ordered health care program like spa, the price will be several times higher than normal resorts. Although the revenue from luxury resorts is not a huge contribution to the rise of the Gross Domestic Product (GDP), it is the accelerator of the growth of tourism industry (Page, 2009, pp. 3-26).

In this chapter, the author will combine the theories of tourism and resorts to describe the development of luxury resorts in Chinese marketplace. Resort is a new pattern of service-oriented industry, scholars and entrepreneurs are still exploring the way to operate efficiently and develop the potentials of how resorts will change people's modern life style. Thus, the process of searching for theories that described luxury resorts or even resorts is the main challenge during studying.

2.1.1 Tourism and tourists

Tourism refers to the process that people who take a journey to other places that are far away from their living area less than one year for entertaining purposes (Li, et al., 2006, p. 46). From my perspective, tourism is more like a living style for individuals or groups to refresh themselves by obtaining different and interesting experiences after regular social life. It is a channel to learn more about the world and witness the different life story by meeting new people in the places you have never been to (Franklin, 2003, pp. 25-39).

Tourists can be defined by the purpose and duration of their travel to the destinations. Generally, tourists are not aimed to get employed or earn money during their staying, and 24 hours will be the minimum time limitation (Dean, 1999, p. 5). As it illustrates in the Figure 1 (Holloway & Taylor, 2006, p. 7), tourists could be classified by residents and

non-residents. To be more specific, both two kinds of tourists can be divided into several categories by the purpose of travelling, such as travel for business, study or just for leisure and recreation.

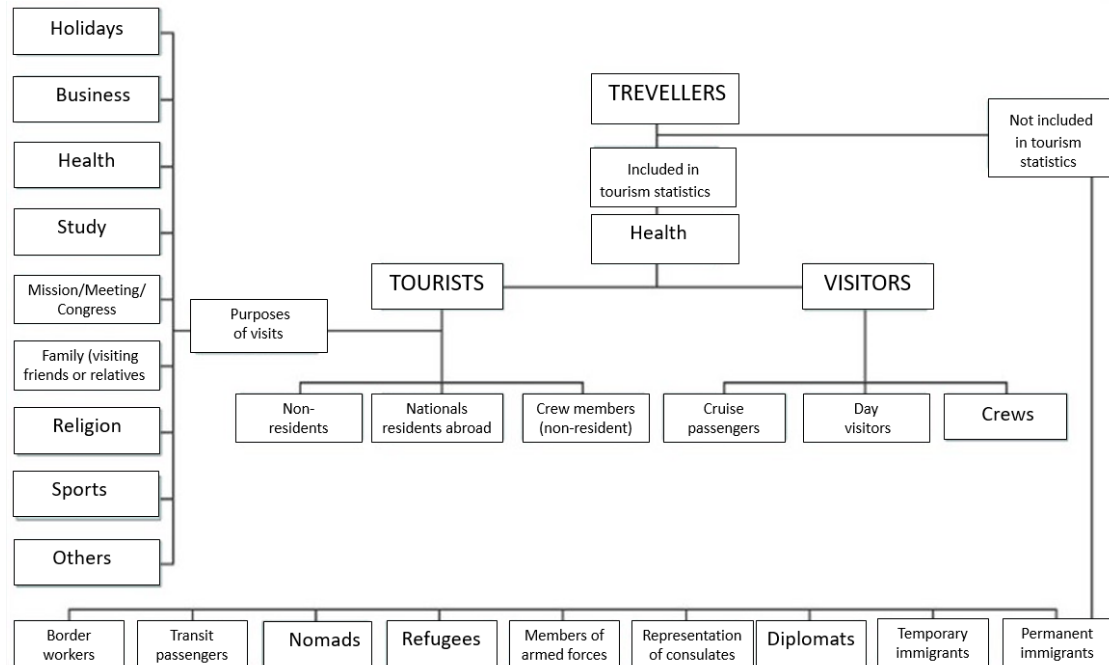


Figure 1. Defining a tourist (Holloway & Taylor, 2006)

2.1.2 Characteristics of tourism

Firstly, tourism is a comprehensive activity that combined by travelling, living, entertaining and shopping. Therefore, the development of income, employment and investment in tourism are highly promoted in tourist destinations (Holloway & Taylor, 2006, pp. 92-109). Well-developed tourism cannot be separated from good services, which means service personnel plays an important role in tourism industry. To some extent, the unemployment rate will be decreased as the appeal of tourism industry. Furthermore, the investment from corporations in improving tourism programs will be grew as the increase of tourists' demand. Nowadays, tourism is more than a tour in famous sites, different products and programs in the travelling destinations are attractive to tourists as well. Tourism is becoming both physical and mental experiences of nature and customs in tourist spots, and there are more opportunities for tourists to achieve their desire via different activities when travelling (Silva, et al., 2013, pp. 17-29).

Nowadays, based on the features of touring destinations, the sensible approach to stimulate consumer involves establishing various patterns and programs of tourism to cater to distinct demand of travelling (Holloway & Taylor, 2006, pp. 186-211). The primary focus on traditional tourism is on visiting natural landscapes and modern urban splendid buildings in one's own country or abroad. As the change of people's mentality on tourism and pace of life, the patterns of how people travels have become abundant. Geographically, there are international tourism and domestic tourism; in the view of how people travel, numerous options like travel by coach, train, cruise ship and airplane are available for tourists (Page, 2009, pp. 175-203). Meanwhile, luxury tourism services that brings tourists opportunities to enhance their enjoyment to a higher standard are becoming increasingly popular, for example, coastal tourism and luxury resorts tourism.

Tourism industry changes as the seasons and weather changes. Most of the touring activities are close to nature and the weather conditions need to be considered when travelling to the destinations. Thus, tourism is easily affected by the changes of temperature or the laws of natural, which is a critical element that affects the tourist volume and tourism revenue. (Vergori, 2016, pp. 1011-1027). Nevertheless, every coin has two sides, sunny days are beautiful and suitable for travelling, whereas, rainy or snowy days might be the best weather for visiting some spots. A case in point is the Mountain Huangshan at Anhui province in eastern China, one of the most famous sight is the splendid sea of clouds which is merely appear during rainy days. More importantly, it is highly attractive to most of the tourists (Leask & Fyall, 2006, p. 258).

2.2 Luxury resorts as a new pattern of tourism

When talking about travelling, some people would say shopping and witnessing the spectacular natural or cultural heritages; some people prefer a closer contact with nature to retreat themselves; some people are willing to travel to certain spots for attentive services and atmosphere (Wu, 2015, p. 1).

With the accelerating progression of urbanization and industrialization, the environmental pollution in urban areas has become an increasingly severe problem. Meanwhile, a journey to resorts has become increasingly popular in modern fast-pace society (Liu & Geoffrey, 2009, pp. 339-350).

2.2.1 Definition of luxury resorts

To begin with, resorts as an all-inclusive pattern of modern tourism, is a superior channel for people to relieve and recreate during a relatively long period of vacation (Rayna & Striukova, 2009, pp. 359-372). What is luxury? Luxury is the indulgence of feelings and senses, without the consideration of costs and price (Monkhouse, et al., 2012, p. 649). Luxury resorts are based on the characteristics of resorts, but the entire levels and standards are far more optimized and ungraded, and luxury resorts are known for their luxurious, creative, private and expensive. (Yang & Mattila, 2016, pp. 1848-1867) Even though, the theories of resorts are still incomplete, most of the study and research were focused on the analyzes of a single typical and famous luxury resorts. Which marketing strategies or competitive advantages in marketplace should be applied has always been the problem of corporations to be tackled.

Luxury resorts have been existing for a long time, however, the new style of luxury resorts which stressed on the combination with nature and high-end creative design, services and decorations mushroomed from 1980. The primary consumers of luxury resorts were people in upper class, especially for the purposes of relaxation and wellness (Xue, 2005, p. 117). At present, luxury resorts are well accepted by the all-round package of travelling, more importantly, the trend is keeping growing (Ozdemir, et al., 2012, p. 110). There are various of activities and services that can be easily accessed in all-inclusive resorts. To be more specific, in luxury resorts, it is unnecessary for tourists to take a long journey to visit touring spots or immerse themselves in certain programs to explore the potential beauty of the world, which is different from traditional tourism that people need to spend a lot of time on getting to destinations. Meanwhile, more and more luxury resorts prefer to hold theme parties at night, where customers can meet new friends and share stories mutually.

When it comes to the functions of luxury resorts, originally, luxury resorts were developed in Europe and America for people to gather in seaside and mountain to spend vacation, or go to snowy sites to enjoy skiing and skating in winter time (Wong, 1998, pp. 89-109). Moreover, the services that related to health care and wellness would be provided based on the local culture and natural conditions (Park, et al., 2010, p. 166). Therefore, the duration of tour would be longer than other patterns of tourism, and the pace of travelling were slow enough for tourists to relieve and refresh themselves. It was not common for consumers in luxury resorts to make new friends, until the development of leisure

programs and interactive activities. Luxury resorts were eventually changed into recreation place with socializing (Liu, 2003, p. 212).

2.2.2 Features of luxury resorts

The priority should be given to the position of luxury resorts. As the upmarket resorts, the locations of luxury resorts are distinct from common resorts. Seaside and skiing spots are normally the positions that corporations would like to choose for building resorts, while luxury resorts can not only be founded in coastal areas and touring spots, but also in beautiful mountains, forests or islands, especially where they are far away from cities. Besides, a larger area is required, so that the private space for customers is big enough and more programs could be organized in the resorts. Natural recourses and environmental conditions need to be considered, the resorts can be established based on the natural conditions of the position to be selected. (Zheng & Chen, 2010, p. 180) To be more specific, building can be designed by the combination of nature and manufactured constructions, which requires the suitable terrain and soil. For example, in naked Retreats, the tree-top villas were based on the structure of trees, and the earth huts in hillside were situated on the top of valley (naked, 2015). Then, the requirements of transportation cannot be ignored either, although the resorts need to be relatively isolated from the outside world, a convenient transportation would be a competitive advantage.

Design and decorations are significantly attractive to the tourists of luxury resorts. The interior and external layouts and structures need to be stylish and innovative to provide customers with unforgettable impressions (Lien, et al., 2012, pp. 647-672). In order to meet customers various preferences, types in villas or rooms in star-rated hotels in the resorts need to be designed in different sizes and models. For instance, villas with indoor or outdoor private swimming pool, meeting room, garden, beach, lawn and playground, etc. The style of constructions could be simple or exquisite, the crucial principle is to make sure that customers feel relaxed and comfortable in their private space and bring nature into decorations. (Gil-Lafuente, et al., 2014, pp. 244-266) In addition, the combination with local culture and customs will bring a fresh atmosphere to customers who are tired to seeing modern buildings and high-standard constructions. The local culture could be reflected from the layout of buildings to the decorations in rooms, even

tableware need to be customized with the characteristics of the natural resources and culture. So that customers have the chance to experience exotic charm.

Attentive and creative services are the most obvious difference of luxury resorts from common ones. The quality of services is the most direct element that affects customers' first impression. No matter whether the quality of service staff or the process of offering services play an essential role in keeping customers and develop potential customers. (Law & Yip, 2010, pp. 83-107) In luxury resorts, the background music, the smell in the air and color matches could also generate influence on customers' experiences. Unlike hotels in urban areas where that all the services are unified and standardized, service staff need to be trained with fixed regulations. Service staff in urban hotels decorate and arrange the rooms with the same requirements, and any one of them is required to wear in a formal fashion. There is no doubt that standardized service can create comfortable experiences for customers, as the process of services are predictable. (Lo, et al., 2013, p. 446) However, sometimes a small change will generate a huge difference, especially in the industry of service. The services in luxury resorts are more flexible and creative. As an illustration, Banyan Tree as a high-class Singaporean hotel brand, the resorts in Banyan Tree provide customers with stylish services (Lin, 2016, pp. 53-56). Customers are surprised by the arrangement of their rooms, as the service staff in Banyan Tree are not only trained to provide top-level services, but allowed to adjust the details of furnishings to be more innovative and fresh base on what they learned about the corporate culture. (Wirtz, 2011, pp. 2-4) Besides, butler service is also the essence of service in luxury resorts, from the moment when customers arrived, butler is responsible for all of customers' activities and services from details of daily life to transportation in the resorts. (Wang, 2008, pp. 19-20).

Equally important is the all-inclusive travelling model as the feature of luxury resorts. (Ozdemir, et al., 2012, pp. 109-130) Except for the fundamental elements of resorts, larger and luxurious facilities can be found everywhere in luxury resorts, such as golf course, clubs, large-size swimming pool, spa, hot spring, playground, star-rated hotels and restaurant (Rayna & Striukova, 2009, pp. 364-370). Furthermore, the area of some luxury resorts is large enough to include mountains, lakes and islands, where customers can visit at any time in the day. Besides, diversified culture essence will be perfectly applied in the whole process of designing, so that customers from different countries and regions will have the sense of belongings. At the same time, the combination of multiple culture can highlight the unique style of the resorts.

2.3 Overview of the development of luxury resorts in China

Because of the rapid growing of the economy in China, people's disposable money has increased relatively, which has caused the consumption concept of Chinese consumers to change dramatically (Zhan & He, 2012, pp. 1452-1460). There is a tendency that an increasing number of Chinese consumers tend to purchase luxurious product and services. According to the research and assessment from McKinsey & Company (Atsmon, et al., 2011, p. 2), 20% of the Chinese luxury consumers prefer to buy luxury experiences rather than products.

The history of luxury resorts can be traced back to thousand years ago when China was still governed by empires who preferred to go to mountain resorts and magnificent villas to escape from hot summer. (Xue, 2005, p. 117) For example, the Summer Palace in Beijing (UNESCO, 1998) and the Mountain Resort and its Outlying Temples in Chengde, China (UNESCO, 1994). Both were established only for empires in the history of China. In 1970s, due to the implementation of "reform and opening-up" economic policy in China, the communication with outside world provided plenty of opportunities to develop in all aspects of social economy. Since then, the gap between the wealth and the poor in China has been enlarged. Wellness-oriented luxury resorts appeared to cater to the demand of people who was in upper middle class. (Heung & Kucukusta, 2012, pp. 101-113) The most representative services in luxury resorts at that time were hot spring, spa, acupuncture treatment and so on. Besides, although the services related to entertainment, accommodation and restaurant were still underdeveloped, resorts managers attempted to arrange different programs and activities, such as table tennis.

Since China joined the World Trade Organization (WTO) in 2001, and the effective implementation of reform and opening-up policy, people's living standards have been improved significantly (WTO, 2015, p. 14). Mental enjoyment and experience has become the primary stream of social consumption in China, tourism industry has been enhanced to an unparalleled position. It is more difficult to satisfy consumers' demands in fast-tempo society, some people are easy to get anxious due to the stressful working life in China. Therefore, it is necessary for consumers to retreat themselves back to nature and experiencing attentive services was increasingly intensive, which promoted the enhancement and expansion of the market of luxury resorts. (Yang & Mattila, 2013, pp. 3-22)

When comparing China to Europe and America, the development of the industry of luxury resorts in China is relatively hysteretic. The market of luxury resorts was becoming mature until the beginning of 21st century, while the industrial structure was improved rapidly. At present, there are a large number of luxury resorts with abundant categories in China, involving sightseeing resorts, ski resorts, hot spring and spa resorts and so on. (Xue, 2005, p. 117) Some of the luxury resorts would combine different sort of programs to increase market share, although which might cause the vague of the brand image. Most of the luxury resorts in China are built for catering to consumers in upper middle class, the competition on quality and price among luxury resorts is the core drive to progress.

In addition, in the age of digitalization, the application of social media can be counted as an efficient approach to boost the improvement of corporations' reputation, especially for luxury resorts which located far away from cities (Kluxen, et al., 2014). Chinese consumers can easily find information related to luxury resorts by means of social media like Wechat and Weibo. Moreover, the consumers can make reservations or get involved on Wechat directly, which is also becoming the trend of how luxury resorts expand the market.

However, there are also many problems that need to be tackled during the development of tourism in China. Operating a well-acclaimed luxury resorts, managers need to pay more attention to the corporate social responsibility (CSR) (Janssen, et al., 2017, pp. 167-174). What must be mentioned is the environmental damage caused by tourism corporations and tourists. To avoid aggravating this situation, the spotlight of luxury resorts in China is putting on green and sustainable. (Zheng, 2008, p. 348) A case in point is that the essence of eco-tourism is well-applied in designing and building luxury resorts in China. Since most of the luxury resorts are located in nature, no matter mountains, seaside or island, environmentally friendly is also the core principle to have a long-term development.

3 CONSUMER BEHAVIOR

3.1 Consumer behavior in marketing

Consumer behavior in marketing discussed the process of buying, including the stimuli of buying, decision-making process and the responses of buying. In this chapter, consumer behavior on luxury resorts has been detailly studies, especially the influencing factors of consumer behavior and decision-making process when considering about travelling in luxury resorts.

In the process of rapid progressing modernization and globalization, efficient cross-border communication on economy and trade has been increasingly enhanced (Babones, 2010, pp. 45-61). The improvement of productivity and consumption are the core drive of globalization, consumers as the indispensable sector of globalization, plays an essential role in stimulating the progression of international trade. The accurate and efficient product positioning and market segmentation that based on the deeply understanding of consumer behavior would be a strategic advantage for corporations in competitive marketplace (Makens, 2014, pp. 166-167). As a result, the study of consumer behavior has always been putting on spotlight.

Consumer behavior is not just the process of basic exchange of money and products, but refers to the consumers' mental activities related to information collection, decision making, buying, consumption and evaluation in the process of purchase and practical actions in realistic situation (Solomon, et al., 2016, pp. 6-7). In the industry of luxury resorts, consumers would be attracted by the stimuli that delivered by the company. For example, naked Retreats established public accounts on Wechat which is the most used social media in China. The regular articles that describes the services and promotions in luxury resorts from the public accounts of naked Retreats are available for all of the subscribers on Wechat. People can evaluate and decide whether naked Retreats is the suitable destination for them. Moreover, once people have the desire to visit the luxury resorts in naked Retreats, they are able to make reservation and payments directly via Wechat.

According to consumer behavior model in Figure 2 below, (Makens, 2014, pp. 166-167) briefly speaking, consumer behavior is the responses to external stimuli after being

affected by consumers' characteristics and decision process. The theory of 4Ps are the most direct stimuli that inspire consumers' desire of demand (Goi, 2009, pp. 2-15).

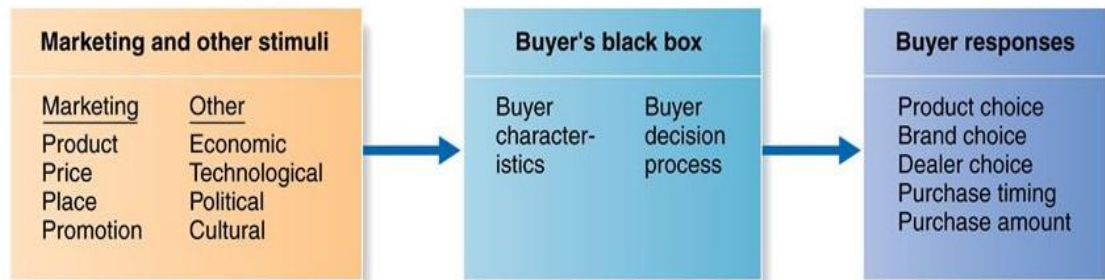


Figure 2. Model of consumer behavior (Makens, 2014, p. 167)

Marketing stimuli

In the beginning, consumers' demands could be stimulated by the factors from the market, macro environment and the distinction of consumer decision-making process. Stimuli from marketing was introduced by McCarthy's (1960) 4Ps theory in marketing, which includes product, price, promotion and place.

Product is created to satisfy consumer's needs and wants in marketplace, the concept of product is not merely the physical objects, but the features, values, and functions of the product. In addition, intangible things like services, ideas can also be defined as product, as long as the purpose is to meet customers' demand (Makens, 2014, pp. 249-278). Product is the direct stimuli of consumer buying behavior. Products in luxury resorts are services, the quality of services was considered as an essential element of operating luxury resorts. Furthermore, the culture and stories of naked Retreats can also be seen as the products.

Price is the amount of money for exchanging with certain product. Price-changing of product can somehow influence consumers' buying decision. As there are always replacement products in the market, for example, pork and beef, both have the similar values, consumers would prefer to buy the one in lower price. If the price of the same product changed, consumers might purchase more than before (Makens, 2014, pp. 315-334). Travelling in luxury resorts requires higher standards of consumption, the creativity of services and programs and enjoyment make the price much higher.

Promotion refers to improve the spread efficiency, increase sales volume and emphasize product features and advantages by means of advertising, direct personal selling, sales promotion and public relations (Makens, 2014, p. 382). Promotion is the communication with customers, corporation can not only deliver product information to customers, but obtain the feedbacks of products, which can help corporations produce appropriate products for consumers. In the process of consumer buying behavior, all-round product information would be delivered to consumers via various channels, which can effectively stimulate consumers' desire of purchasing (McCarthy, 1960). During the festival promotions in naked Retreats, consumers can enjoy the particularly designed festival related activities and services at a discount price.

Place in 4Ps theory is described as the distribution channel of products, corporations distribute products to other dealers, retailers, franchisers or agencies to enhance sales (Duermyer, 2017). For example, many of the travelling spots in China cooperate with online ticketing service platforms like Ctrip.com. Consumers can directly make reservations of their trip to travelling destinations via those platforms.

As the development of economy and improvement of marketing theories, "people" as the fifth "P" in marketing involves the people who assist the business (Duermyer, 2017). For example, the outcomes can be influenced in sales and distributing process.

But as the development of global market, 4Cs theory proposed by Lauterborn (1990), which described the stimuli in the view of customer. Corresponding to the theory of 4Ps, the content of 4Cs includes customer, cost, convenient and communication (Lauterborn, 1990, p. 26). To more specific, corporations would focus on developing products that based on the research of what consumers need; consumers' expecting and affordable cost would be estimated by corporation, so that price will be more suitable for different consuming levels of consumers; then, product would be delivered to consumers in the most convenient channel, such as online shopping platforms; communication means corporations could enhance the study of how consumers consider about the product, but not only spread information to consumers. 4Cs theory put consumer in an essential position, which is relatively efficient to stimulate consumers' consumption.

Stimuli from macro environment

Except of marketing stimuli, factors from macro environment can affect customers' curiosity and motivation of consuming. The DESTEP analysis was considered as a comprehensive model to study macro elements during the development of corporations. DESTEP model mainly involves demography, economy, social culture, technology, ecology and politics (Vliet, 2013). Consumers in different age might be attracted by totally distinct products and services, and the level of income is also the determinant of the style of consumption. Cultural, religious and educational background of consumers play important role on which products to focus on. For instance, in Chinese culture, the Spring festival is the most important festival in a year. At that time, products related to Spring festival will be continuously purchased. Consumers of luxury resorts can be influenced by their perception and cultural background, normally, consumers' life style can be one of the motivations that drive them to pursue high-class of enjoyment and creative design and decorations. After that, attraction from the field of technology and ecology can be generated by consumers' demand on fast-upgrading high-tech products and the yearn for a harmonious relationship with the nature. The last but not least, political environment affect the policies of import and export trade, which indirectly influenced consumers' opportunities to purchase foreign products. As some of the natural resources are possessed by the government, corporations are not able to buy and build luxury resorts. The regulations that support the development of luxury resorts that carried out by the government can somehow stimulate consumers to have further understanding of the differences of luxury resorts. For example, one of the luxury resorts in naked Retreats is famous by a castle. However, the company was not allowed to buy it, the local government signed contract with the company that the castle could be rent to the company for fifty years, which was published on social medias in China. Therefore, the reputation of this castle in naked Retreats has been discussed before launching.

3.2 Consumer decision-making process

Stimuli for marketing and macro environment are external information and attractions that cannot be controlled by consumers. By contrast, from the perspective of consumers, the process of buying decision-making is entirely based on consumers' consideration.

Figure 3 demonstrates the steps of how consumers decide to purchase a product (Fahy & Jobber, 2012, pp. 60-66).

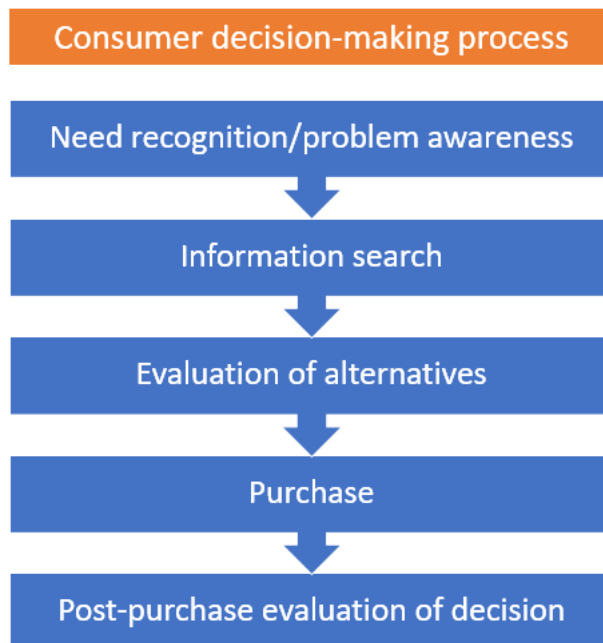


Figure 3. Consumer decision-making process (Solomon, et al., 2016, p. 331)

In the first stage, people notice the demand of certain products after stimulated by external elements like the need of food and drink, or are driven by their psychological activities. The desire of purchasing can also be motivated by the awareness of problems, especially when people find out that the problem could be solved by the acquirement of certain products (Solomon, et al., 2016, pp. 330-369). Need recognition in luxury resorts involves realize the desire of visiting resorts with all-inclusive services and located far away from cities, so consumers can have a close contact with nature and balance the pressure from fast-pace working life. Information that related to solving problem or satisficing needs could be obtained from family and friends, social media, relative commercials and previous similar experiences. Thus, the process of information research and collection can be accessed by communicating with family and friends who have further understanding of the products, searching relevant sources on diverse social media, paying more attention on the promotions or commercials of the target and comparing to consumers' own experiences of using similar products (Fahy & Jobber, 2012, p. 63). naked Retreats provides the space for business conference and diversified entertainments, which is suitable place to make friends and establish stable relationship with business partners. So, the recommendations from friends can be seen as an

efficient channel for consumers to acquire information of luxury resorts in naked Retreats. What follows is assessing the collected information, which is also the crucial phase during making buyer decisions. To identify alternatives, consumers who have different types of buying behavior would act significantly different. The involvement level of consumers is main reason of distinct choice. Some of the consumers prefer to compare carefully in each aspect of collected information, however, consumers who have the preference of habitual decision might just choose to focus on the products or brands they used to buy (Solomon, et al., 2016, pp. 339-345). Considering the cost-effectiveness and quality of luxury resorts, consumers prefer to make an all-round comparison before making the decision to visit luxury resorts.

When it comes to purchase and post-purchase feedbacks, normally, consumers would evaluate the outcomes of purchasing from different aspects to analyze if the decision was sensible, such as the selected product, brand, dealer, and amount of buying (Makens, 2014, p. 167). It is common that consumers have inconsistent opinions to products in the period of post-purchase, especially when online shopping is getting increasingly popular, consumers' understanding about products is more limited. There are too many variables to consider when making decisions, normally, consumers are easier to have cognitive dissonance when it is extremely difficult for them to make decisions (Armstrong & Kotler, 2015, pp. 175-177). The promotion and advertising of luxury resorts becoming critical to enhance the confidence of consumers to make decisions.

3.3 Influencing factors of consumer behavior

Consumer behavior refers to the research of how people make the decision of purchasing and the series of actions like selecting, comparing, buying. The differences among individuals increased the uncertainty during the research of consumer behavior (Kotler & Keller, 2012, pp. 151-165). It is rarely possible to study the consumer behavior of all the individual, a systematic framework that research the influencing factor of consumer behavior can efficiently guide the marketers to understand the targeted consumers. In the industry of luxury resorts, the targeted consumers are upper middle class, however, there are also consumers who have lower income or social status. It is significant for optimizing the development of luxury resorts. According to the model in Figure 5, the study of influencing factors of consumer behavior on luxury resorts involves

the analysis of consumers' personal factors, social factor, cultural factors and psychological factors. As the essential theory in this thesis, studying the influencing factors of consumer behavior is the most effective approach to understand the consumers of luxury resorts. Each of the factor can be reflected by consumer behavior when making decisions on travelling in luxury resorts.

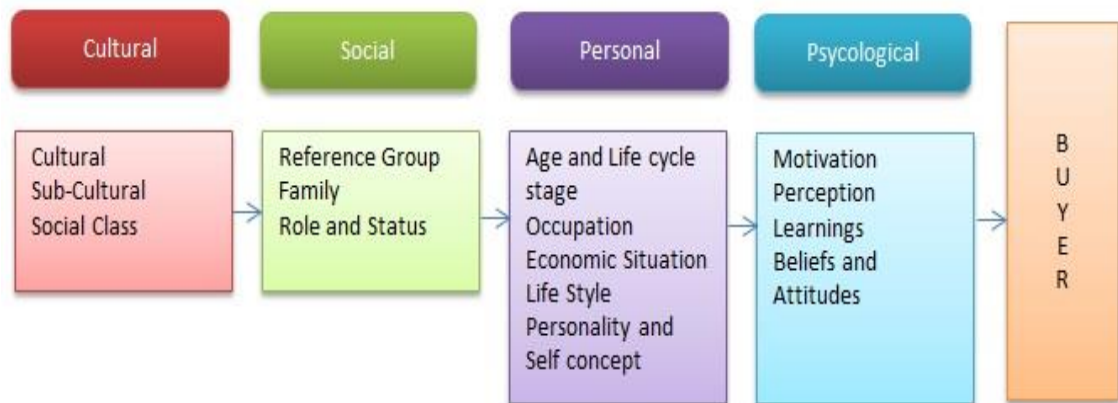


Figure 4. Factors influencing consumer behavior (Makens, 2014, p. 167)

3.3.1 Cultural factors

Culture is the symbol of nation, includes all kinds of knowledge, religions, art, languages and customs, etc. Consumers from the same culture have similar value and cognition, so that there are common features on their consuming behavior (Makes, 2014, pp. 167-170). The cultural context of consumers could affect their first impression to luxury resorts and naked Retreats, which is difficult to change by the company. Cultural factor that influences consumer behavior involves the content of sub culture and social class as well.

Sub culture is the sub group of a culture, people in the same subculture have similar values and customs, which means they might have the same beliefs or come from the same countries or regions. For example, there are 56 different nations in China, each one of them has their own culture, but these 56 nations share the same Chinese culture as well. Consumer from the same sub culture would have similar buying behavior in certain area of products, marketers can focus on the characteristics of the sub culture to efficiently target the market. For example, consumers will feel the sense of belongings if

they found a restaurant has the same decoration style with their culture and customs, which has been applied by a lot of luxury resorts. For example, some of the villas at the luxury resorts in naked Retreats were designed in South African style. There are many villas that are decorated in different cultural theme at the luxury in naked Retreats (naked, 2017)

Social class in a culture is a standard that classified by people's income, education, occupations and even background of growth (Shavitt, et al., 2016, pp. 583-593). Consumers from the same social class have similar attitude and values, furthermore, most of them have similar approaches to achieve the purposes of recreation and consumption. Thus, the target consumers of luxury products need to be people in upper middle class, otherwise, consumers in lower class can rarely afford the high expenditures. Consumers in different social class might have totally different understanding of luxury resorts. As for people in relatively lower class consider travelling in luxury resorts is a kind of wasting of money. On the contrast, consumers in upper middle class might think luxury resorts are the destinations to relax and refresh themselves.

3.3.2 Social factors

Social factor is mainly discussed the social roles of consumers, and possible influences on consumer behavior that caused by social roles. Social factors include influencing factors from family and social status (Makens, 2014, pp. 170-176). Family is the basic social group that individual consumers belongs to, the influences from family member can somehow directly change consumers' decisions and buying behaviors, especially for children who have not build an independent value of consuming, can easily be influenced by the behavior of their parents. For example, the parent-child programs in travelling destination are getting popular in China, most of the consumers expressed that the relationship among family members can be enhanced during the process of travelling.

Social status determined social groups that people was involved, which would affect the way people perform themselves to others. Consumers on the same level of social status have similar value of purchasing, consumer behavior would be influenced by who they are (Makens, 2014, p. 173). During the internship in naked Retreats, there were opportunities for employees to have free trips to the luxury resorts.

3.3.3 Personal factors

Personal factor refers to the profile information of consumers, which involves age, life cycle stage, occupation, economic situation, life style, personality and self-concept (Makens, 2014, pp. 167-170). Age, gender and life cycle stage are the most obvious distinctions among consumers. Consumers in different life cycle stage might have different cognition to the world and themselves, the types of demand and wants also changed as the growth of age. For example, young customers prefer to pursue stimulating experience during travelling in the luxury resorts, while elderly customers choose to enjoy the wellness programs, such as spa.

Occupation, economic situation and life style also play critical role in the process of decision-making. Life style is connected with occupation and economic situation of consumer, there are different kinds of daily routine and requirements in distinct occupation (González & Bello, 2002, pp. 51-85). In some of the companies in China, employees need to work until the evening, in this way, the main part of their fast-tempo life is working. The economic situation determined the level of needs and the capability of purchasing. The high-class products and services are usually consumed by people who have a stable and satisfied income. No doubt that the cost of travelling in luxury resorts is quite high, consumers who have more stable economic situation prefer to visit luxury resorts more usually.

When talking about the effect of personality and self-concept on consumer behavior, everyone has unique personalities gain from the background of growth and education (Solomon, et al., 2016, pp. 157-178). Some customers make decisions right after they have a basic understanding, while there are also customers who need to think again and again before purchasing. The influence of personalities can make consumers ignore other important elements, such as the price and function of the products. For instance, a nostalgic consumer could spend money on certain product for the beautiful memory that brought back by it. Moreover, due to the way people considerate, they even have totally different reaction to the same product or service in different circumstances. In luxury resorts, feelings of consumers are important for them to evaluate whether it is worthy to stay or not. Mostly, the feelings are based on consumers' own experiences and cognition.

3.3.4 Psychological factors

When considering the types of consumers' buying behavior and the process of decision-making or stimuli that motivate consumer to purchase, one realizes none of these behaviors could happen without the psychological activities of consumers. Psychological factors that influence consumer behavior are motivation, perception, learning and beliefs and attitudes. Motivation is consumers' original desire and needs to acquire products and services. According to Maslow's (1943) hierarchy of needs theory, consumers' needs can be divided into five levels: physiological needs, safety needs, belongingness needs, ego needs and self-actualization needs (Solomon, et al., 2016, pp. 206-208). By understanding the different levels of consumers' needs, marketers and corporations could produce the well-claimed products and services. Knowing that people who live in the noise at big cities might need to refresh and relax themselves in nature, this is the initial concept of luxury resorts.

Perception and learning is about the cognitions and judgements of consumers to products based on previous experiences and the process of understanding new products via continuously purchasing and experiencing (Solomon, et al., 2016, pp. 124-153). Consumers' perception of products can be potentially changed by demonstrating information related to the products, the information could be images, packages, sounds and so on. For instance, "butler service" as one of the representative characteristics of luxury resorts has been discussed by consumers. In naked Retreats, the requirements for service personnel are highly strict. It is not enough for them to provide good services, but process professional explanations of cultural elements to consumers when having a tour in the resorts.

Consumers' beliefs and attitudes is about the opinions of products when making buying decisions. Consumers would be highly motivated to buy the products if the products are consistent with their beliefs and attitudes. By contrast, if consumers' first impression of certain products is passive, then it will be much more difficult for dealers to persuade them to continue buying behaviors. It is easy to realize that high-class and well-accepted products in marketplace are well-designed, for example, Apple, each picture for promoting new products cost millions of dollars. At present, there are a large number of different products in the marketplace, corporations need to pay more attention to the details of products, so that consumers' motivation of purchasing would be hard to resist. In terms of luxury resorts, eyes of consumers would be caught by the unique design and

decorations and attentive services. What make the differences details, consumers' impression of luxury resorts could even be changed by transportation conditions.

3.4 Middleton & Clarke stimulus-response model

The models of consumer behavior in tourism are theoretical frameworks and methods that assist in having a systematic understanding of how consumers act when considering about travelling. Regardless of the dramatic differences diversities of consumer behavior in tourism, previous scholars have sensibly summarized various of outstanding consumer behavior models in tourism, which laid solid foundation for further exploration. The model can also be an efficient theoretical support when study consumer behavior in luxury resorts.

Middleton & Clarke (2001, p. 77) improved the traditional consumer behavior model and came up with the stimulus-response model of tourist's buying behavior. As can be seen in Figure 6, it is thought that consumers are stimulated by the impact of the tourism corporation in marketplace in the beginning of buying process, which leads them to make a cognition by means of searching commercials and promotions related to touring destinations and consulting suggestions from family, friends and other social groups in the second stage. After the collection of information, the following stages include distinguishing suitable options based on their awareness and experiences and considering decisions after inspired by personal, psychological and social motivations. In next stage, consumers would output the final decision and response to initial stimuli via experiencing tourism products.

Feedback after buying was connected to consumers' awareness and experiences in the stage of decision process, so that consumers can make a reliable conclusion of whether the journey was satisfactory or not, which could be the foundations for making more suitable decisions in the future.

This model is complete process of buying behavior in tourism. The model emphasized the importance of communication between tourism corporation and consumer, marketing operation plays a critical role in enhancing consumers' confident on decision-making (Middleton & Clarke, 2001, pp. 75-82). In the age of internet, combine the characteristics of the way people acquire information, efficient promotion and advertising are virtually significant to develop potential customers.

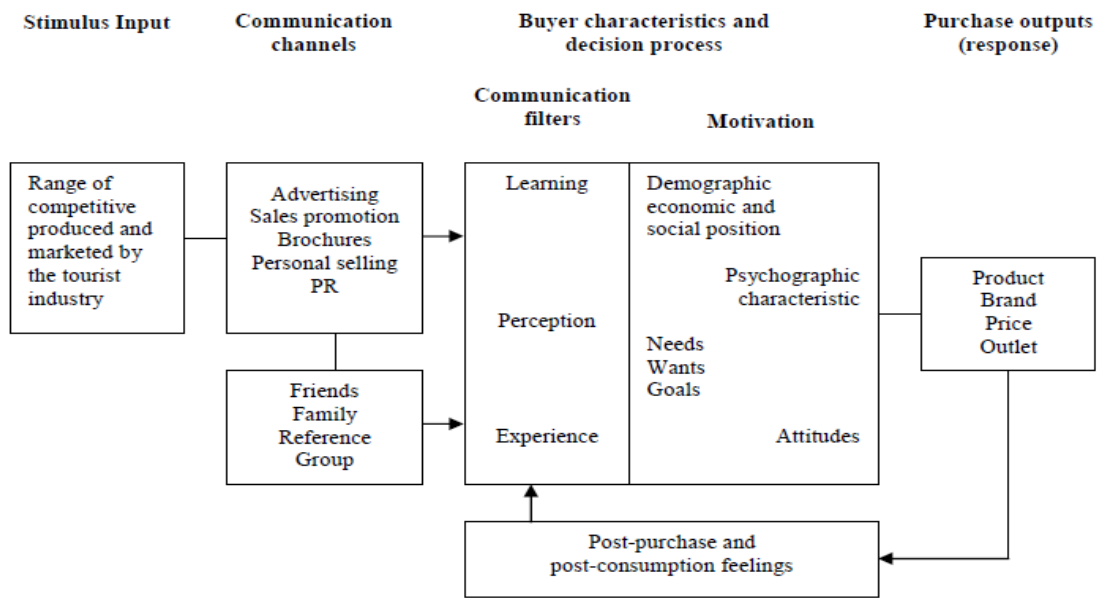


Figure 5. Stimulus-response model of buying behavior in tourism

4 MEASURING CONSUMERS' EXPECTATION ON LUXURY RESORTS

4.1 Introduction of research method

The most well-known research methods are quantitative research and qualitative research. Quantitative research focuses on collecting data from a large amount of the consumers to obtain a general cognition, objective rules or phenomenon of research questions (Bryman & Bell, 2015, pp. 160-181).

Moreover, collected data will be handled and displayed by the knowledge of statistics in quantitative research. The method applied in this bachelor study quantitative research analyze the main influencing factors of consumer behavior on luxury resorts in naked Retreats.

4.1.1 Data collection methods

Online questionnaire has been applied to collect data in this research. Questionnaire is the typical data collection method in quantitative research, which is aimed to acquire data from the consumers through distributing systematically designed questions. The way how the consumers response questions would reflect their opinions and suggestions to research questions. Therefore, it is significant for researcher to create effective questions that tightly connected with research questions. Meanwhile, the process of data analysis is primarily demonstrated by the application of knowledge from statistics (Sekaran & Bougie, 2013, pp. 146-163). In the process of collecting data, 15 questions were designed to discover the main influencing factors of consumer behavior on luxury resorts in China, the consumers were randomly choosing customers from the case company naked Retreats. The questions were classified into background questions and market research questions. Background questions included questions related to gender, age, income, schooling and basic preferences of travelling. In market research sector, there were questions and statements that reflect the influencing factor of consumer behavior. According to the results of the survey, it was convenient to study the connections among all these factors and the factors that influenced consumer behavior the most was obvious as well.

4.1.2 Sampling

In the process of gathering data, it is not a cost-effective approach to deliver the information to the entire population involved in the research. A sample as the subgroup of the population, is combined by a certain number of individuals from the population. By analyzing the sample, what the researcher would obtain is the opinions and thoughts from part of population. Theoretically, it is reasonable for researcher to have a general cognition and conclusion to the entire population after studying the consumers (Greener, 2008, pp. 47-53). The research population of the online questionnaire is consumers for luxury resorts in the company naked Retreats. As the author used to be the human resources intern in the company, the director of human resources department approved the author to randomly send 160 questionnaires to consumers of the company by e-mails.

4.2 Data collection and analysis

Data analysis in quantitative research refers to study the data collected to demonstrate the findings of the research. The data collected by online survey were record by numbers, would be coded and edited to display the outcomes of the research (Sekaran & Bougie, 2013, pp. 274-276).

The collection of data was done as follows:

Firstly, considering that the sample are customers who have been to the luxury resorts of naked Retreats, the design of questionnaire must be highly decent. Otherwise, customers might not answer the survey patiently, what's more, customers might have passive emotion to the company, which was the key issue that needed to be avoided.

Therefore, as a pilot test, the employees in the company were asked to send the link of 10 questionnaires by e-mail and Wechat to gather the feedback from customers on 19th of October 2017, whether they felt comfortable during filling the questionnaire. The results were that few customers reflected that the order of statements in question 13 and 14 made them confused, and they found similarities from several of the statements. Consequently, after carefully consideration, the author did find the necessary to adjust the logicity of questions and statements. Furthermore, several similar statements were combined.

Then, the link of 160 questionnaires were randomly sent to the customers of naked Retreats by e-mail and Wechat from 21st of October 2017, and 120 valid responses were collected until 6th of November 2017. The response rate is 75%. The detail information of the questionnaire was displayed in Appendix 1 of this thesis.

Background questions

There were 10 background questions that designed to collect basic profile information of the consumers and understand their preferences and opinions about travelling.

Question 1 was designed to research the gender proportion of the consumers in naked Retreats. According to the data collected, males occupied 64.17%, and 35.83% of the consumers are females, which means that there were more males than females of the consumers went to luxury resorts in naked Retreats, which is interesting. And probably it means that gender would influence consumer behavior when considering about luxury resorts in naked Retreats.

Question 2 referred to the age ranges of the consumers. The concrete data will be displayed in Figure 9 below:

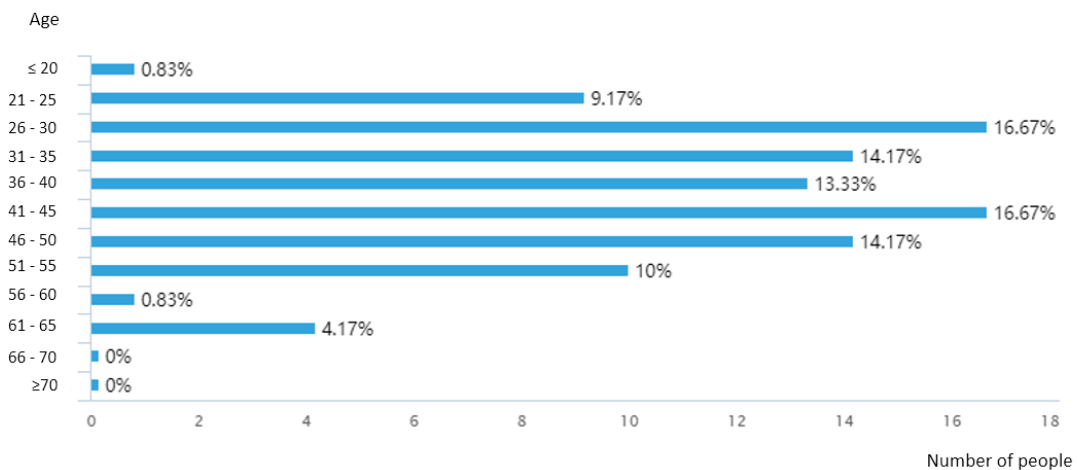


Figure 6. Age of the consumers

As is showed in the graphic, the largest percentage of consumers located in the age ranges of 26 – 30 years old and 41 – 45 years old, both percentage of the two-age ranges are 16.67%, and consumers are mainly located between the age of 26 years old and 50

years old. By contrast, there were less consumers younger than 20 years old or older than 56 years old. Although the cost of some young consumers might be paid by parent, the consumers are people who enjoy the services in luxury resorts. Young and middle age consumers are the main customers of luxury resorts, which is also the current situation of the company naked Retreats. Most of the consumers are young people who pursue stimulating programs and new things. Age as one of the most important influencing factor of consumer behavior plays an essential role in researching consumer behavior on luxury resorts in naked Retreats.

Question 3 was about the living situation of the consumers. As is discussed in Chapter 3, the behavior of consumers can be affected by their family and social role. The opinions from family members can influence consumers' decisions. As is showed in Figure 10, 78.33% of consumers from the consumers are living with their family members, which is much higher than other living situations. Employees from reservation department of naked Retreats declare that the amount of family-oriented travel in luxury Resorts has increased in recent years.

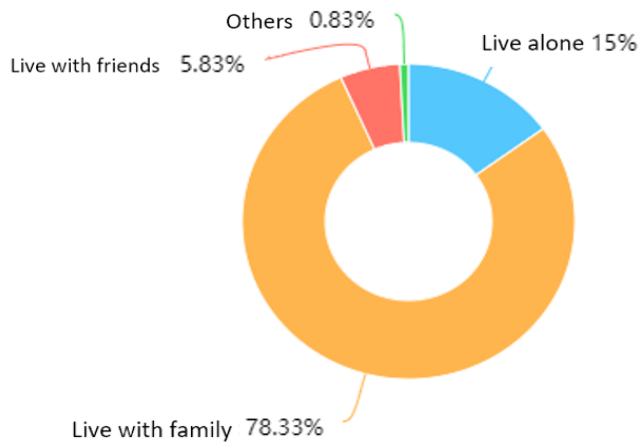


Figure 7. Living situation of the consumers

Question 4 researched the level of schooling of the consumers. According to the theory of influencing factor of consumer behavior, education is the symbol of social class as well. Moreover, perception of consumers can be broadened via higher level of education, which is the psychological factors that influence consumer behavior. The analysis of educational situation was aimed to study the connection between factors of social class, perception and consumer behavior in luxury resorts. In Figure 11, 56.67% of the consumers have Bachelor's degree or higher, which expressed that the level of schooling did affect consumer behavior in luxury resorts.

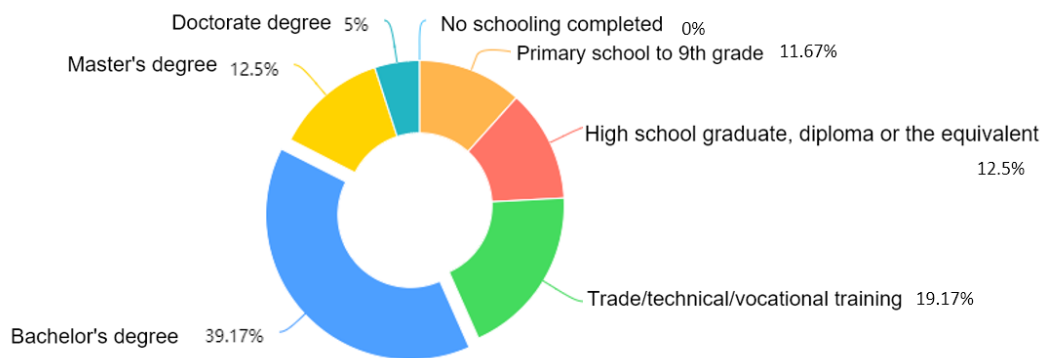


Figure 8. Schooling level of the consumers

Question 5 researched employment status of the consumers. Occupation is part of the personal influencing factor of consumer behavior that related to the economic situation and capability to pay for the trip. 80.84% of the selected consumers in this survey are entrepreneurs and employees, which is much higher than other options like homemaker and students. Most of the consumers of naked Retreats can be motivated by a relatively stable economic situation.

Question 6 analyzed the salary ranges of the consumers from naked Retreats. Salary as the element that related to occupation is the influencing factor of consumer behavior from personal aspect. Consumers' salary range in 8,000 – 20,000 RMB occupied the highest percentage 40.83% in Figure 12, which met the salary level of consumers from upper middle class in China. Thus, most of the consumers of luxury resorts in naked Retreats have a relatively higher income, which reflected the importance of analyzing consumers' economic situation to study consumer behavior on luxury resorts.

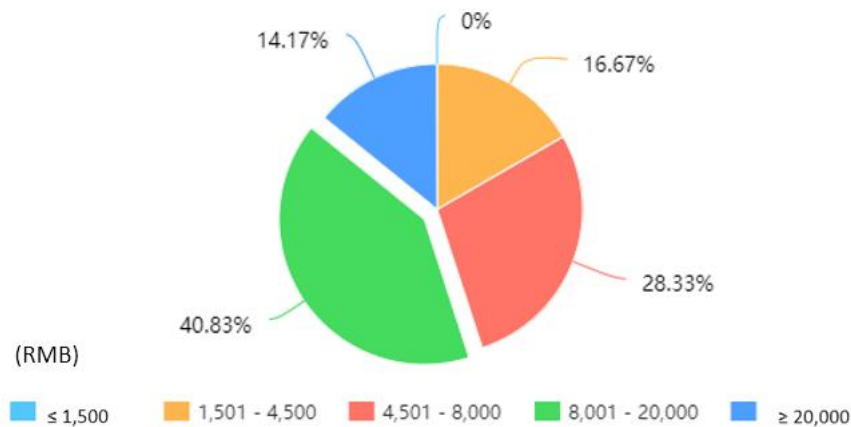


Figure 9. Salary range of the consumers

Question 7 referred to the frequency of travelling. The way how people travel can be classified as their lifestyle, different lifestyle lead to different desire and decisions on travelling. Basically, the desire of travelling can be expressed by the frequency and purposes. 49.17% of the consumers of naked Retreats travel two to three times a year, which means most of the consumers of naked Retreats have a stronger desire of travelling. Lifestyle have an apparent influence during the decision-making process.

Question 8 discussed the most suitable time for consumers to travel, which reflected consumers' lifestyle and attitudes and beliefs to travel. 45.83% consumers of naked Retreats replied that they could travel at any time means they have a flexible and relaxed lifestyle and attitudes. As is mentioned in chapter 2, seasonality is one of the characteristics of tourism, not only because of weather conditions, but the holidays in summer and winter time. 28.33% of consumers who prefer to travel in summer or winter holidays.

Question 9 researched the travelling modes of the consumers. Each consumer plays different roles in social life, they are surrounded and influenced by people from different social circles, such as friends, family members and colleagues. As is showed in Figure 13, 58.33% of consumers prefer to travel with their family, which means family is an essential element that would be considered by consumers of luxury resorts in naked Retreats.

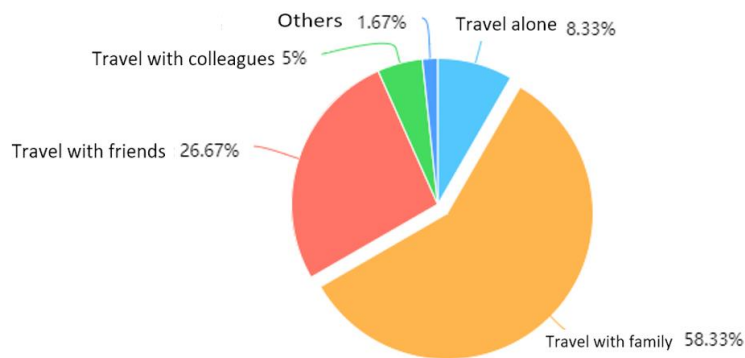


Figure 10. Travelling mode of the consumers

Furthermore, Table 2 demonstrated the connections between living situation and travelling modes in this research. 88.6% of consumers who are living with family prefer to travel with their family members, which emphasized the importance of family when considering about travelling.

Table 2. Connections between living situation and travelling modes

Connections between living situations and travelling modes								
			How do you normally travel					Total
			Alone	With family	With friends	With colleagues	Other (please specify)	
How do you live	Living alone	Amount	4	4	10	0	0	18
		Percentage in different travel modes	40.0%	5.7%	31.3%	0.0%	0.0%	15.0%
	Living with family	Amount	6	62	20	4	2	94
		Percentage in different travel modes	60.0%	88.6%	62.5%	66.7%	100.0%	78.3%
	Living with friends	Amount	0	4	2	1	0	7
		Percentage in different travel modes	0.0%	5.7%	6.3%	16.7%	0.0%	5.8%
	Other (please specify)	Amount	0	0	0	1	0	1
		Percentage in different travel modes	0.0%	0.0%	0.0%	16.7%	0.0%	.8%
	Total	Amount	10	70	32	6	2	120
		Percentage in different travel modes	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Market research questions

In this section of questionnaire, 6 questions were created to research consumers' opinions about luxury resorts in naked Retreats.

Question 10 analyzed the particular purpose of the consumers of naked Retreats. The purposes reflect consumers' motivation of travelling. Motivation as a critical influencing factor of consumer behavior has been discussed in chapter 3, all of the stimuli and marketing from corporations are aimed to catch consumers' attraction and activate their motivation of travelling in luxury resorts. According to Figure 14, 50% of consumers selected the option of getting closer to nature. Following by the purposes of meeting new friends, fulfilling life experiences, enjoying family time and working during travelling. Therefore, the services of these four aspects in the company are most attractive to consumers.

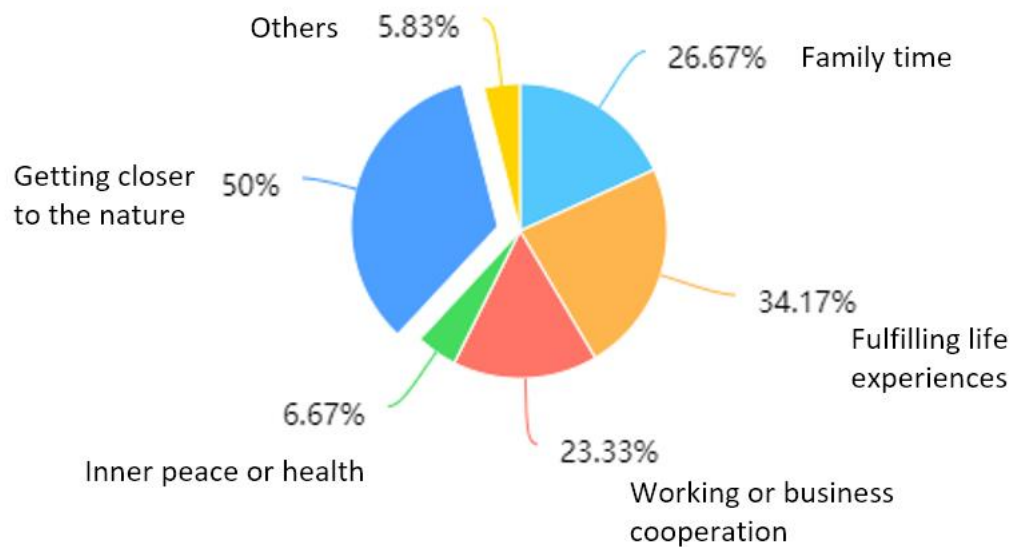


Figure 11. Consumers' travelling purposes

Question 11 researched the communication channels that the consumers used to get information about luxury resorts in naked Retreats. Communication channels between consumers and corporations are important for information collection and delivery in the process of consumer decision-making. In Figure 15 below, social media, internet, family and friends occupied higher percentage of 48.33%, 37.5% and 46.67% separately. The

use of electronics and internet could reflect the importance of using online communication channels to cater to different perception and lifestyle of consumers.

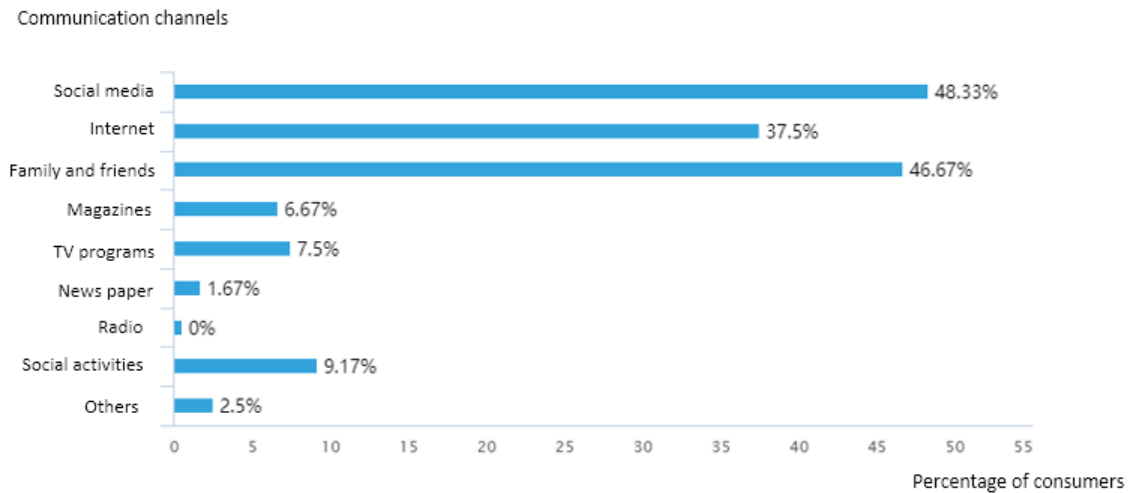


Figure 12. Percentage of communication channels

Question 12 researched consumers opinions about the importance of reputation to luxury resorts. Almost 80% of consumers considered that reputation is important for the development of luxury resorts. Reputation is the image of the company, the preference of concerning about reputation reflect consumers' personal perception and attitudes to the company.

Question 13 was designed as matrix scale questions to measure the importance of the statements to the consumers. The statements that related to the influencing factors of consumer behavior were designed based on the research of luxury resorts in naked Retreats. The amount and percentage of consumers who evaluated the statements were displayed in Table 3. The means in the table shows the importance of each statement to the consumers. The feeling of security in luxury resorts was considered as the most important issue by the consumers. Therefore, it could be an effective approach to attract consumers by stressing the security of the resorts in the process of communicating with the consumers. Then, the quality of services, culture, view, close contact with the nature, convenience of transportation at luxury resorts were comparatively more important in the view of consumers, which separately reflected the importance of lifestyle, perception, beliefs and attitudes, motivation on influencing consumer behavior in luxury resorts.

Table 3. Statements in question 13

	Not important at all	Not important	Important	Extremely important	means
1. There are high-quality services	9(7.5%)	7(5.83%)	52(43.33%)	52(43.33%)	3.23
2. There are fantastic stories, culture and view	6(5%)	8(6.67%)	65(54.17%)	41(34.17%)	3.18
3. The programs are good for health, like spa	8(6.67%)	39(32.5%)	48(40%)	25(20.83%)	2.75
4. Entertainments in luxury resorts are creative and diverse	8(6.67%)	24(20%)	57(47.5%)	31(25.83%)	2.93
5. I can easily have a close contact with the nature at luxury resorts to refresh myself from stressful daily life	7(5.83%)	3(2.5%)	54(45%)	56(46.67%)	3.33
6. There are star-rated hotels and high-standards restaurants around luxury resorts	14(11.67%)	41(34.17%)	40(33.33%)	25(20.83%)	2.63
7. Commercials of luxury resorts on social media are attractive	19(15.83%)	49(40.83%)	34(28.33%)	18(15%)	2.43
8. My family and friends suggest me to go to a luxury resorts	13(10.83%)	24(20%)	52(43.33%)	31(25.83%)	2.84
9. It is convenient for me to go to luxury resorts	10(8.33%)	8(6.67%)	59(49.17%)	43(35.83%)	3.13
10. I feel secure at luxury resorts	8(6.67%)	2(1.67%)	26(21.67%)	84(70%)	3.55

Table 4 displayed the connections between consumers' age and the feeling of security at luxury resorts. The feeling of security is connected to psychological elements and cultural context of consumers. The age ranges were not included in the analysis if the number of consumers was only 1 or less, which were marked as "-" in the table. Means in the table showed that more consumers in the age range of 21 – 25 considered the feeling of security at luxury resorts is extremely important. Moreover, in this research, lower percentage of consumers in the age range of 61 – 65 expressed the feeling of security at luxury resorts is not extremely important to them. It is obvious that young

consumers and older consumers have different opinions on the feeling of security at luxury resorts, so the company can design more suitable services for consumers in different age ranges.

Table 4. Connections between consumers' age and the feeling of security at luxury resorts

Connections between age and the importance of feeling secure at luxury resorts							Percentage of consumers who considered feeling of security is "extremely important" in each age range			
	I feel secure at luxury resorts				Total	Mean	Age	Extremely important	Total	Percentage
	Not important at all	Not important	Important	Extremely important						
Age	< 20	0	0	0	1	1	< 20	-	-	-
		0.0%	0.0%	0.0%	1.2%	.8%				
	21 - 25	0	0	1	10	11	21 - 25	10	11	90.91%
		0.0%	0.0%	3.8%	11.9%	9.2%				
	26 - 30	1	1	2	16	20	26 - 30	16	20	80.00%
		12.5%	50.0%	7.7%	19.0%	16.7%				
	31 - 35	0	0	6	11	17	31 - 35	11	17	64.71%
		0.0%	0.0%	23.1%	13.1%	14.2%				
	36 - 40	2	1	7	6	16	36 - 40	6	16	37.50%
		25.0%	50.0%	26.9%	7.1%	13.3%				
41 - 45	0	0	4	16	20	41 - 45	16	20	80.00%	
	0.0%	0.0%	15.4%	19.0%	16.7%					
46 - 50	1	0	3	13	17	46 - 50	13	17	76.47%	
	12.5%	0.0%	11.5%	15.5%	14.2%					
51 - 55	4	0	0	8	12	51 - 55	8	12	66.67%	
	50.0%	0.0%	0.0%	9.5%	10.0%					
56 - 60	0	0	0	1	1	56 - 60	-	-	-	
	0.0%	0.0%	0.0%	1.2%	.8%					
61 - 65	0	0	3	2	5	61 - 65	2	5	40.00%	
	0.0%	0.0%	11.5%	2.4%	4.2%					
Total	8	2	26	84	120	-	-	-	-	
	100.0%	100.0%	100.0%	100.0%	100.0%					

Question 14 was also designed as the matrix scale questions to evaluate the statements based on the research of naked Retreats. All the statements were designed to study the influencing factor of consumer behavior on luxury resorts. According to Table 5 below, the most agreed statements from the consumers were cost-effectiveness, overall research before visiting, private space in luxury resorts. Even though most of the consumers of naked Retreats are from upper middle class, price is still the essential elements in the process of making decisions. In the current situation and cultural context of China, private space is not easy to obtain, more and more people are willing to have escape from the noise and refresh themselves in a peaceful environment. One of the characteristics of the luxury resorts in naked Retreats is the combination with nature, such as the tree top villa or the earth-hut at hillside, which motivated consumers to visit.

Table 5. Statements in question 14

	Strongly disagree	Disagree	Agree	Strongly agree	Means
1. I am used to go to luxury resorts	15(12.5%)	49(40.83%)	49(40.83%)	7(5.83%)	2.4
2. I have to go to luxury resorts for working or business purposes	12(10%)	56(46.67%)	44(36.67%)	8(6.67%)	2.4
3. Cost-effectiveness is the first thing I need to consider when planning to go to luxury resorts	4(3.33%)	16(13.33%)	76(63.33%)	24(20%)	3
4. I will have an overall research of luxury resorts before I decided to go	5(4.17%)	12(10%)	82(68.33%)	21(17.5%)	2.99
5. Creative decorations in luxury resorts are highly attractive to me	11(9.17%)	38(31.67%)	55(45.83%)	16(13.33%)	2.63
6. I feel good about the "butler service" in luxury resorts	6(5%)	24(20%)	73(60.83%)	17(14.17%)	2.84
7. I would like to have "customized services" in luxury resorts	8(6.67%)	20(16.67%)	76(63.33%)	16(13.33%)	2.83
8. Luxury resorts is designed for consumers in upper middle class	8(6.67%)	19(15.83%)	76(63.33%)	17(14.17%)	2.85
9. Going to luxury resorts can reflect my higher social status	14(11.67%)	50(41.67%)	45(37.5%)	11(9.17%)	2.44
10. People who goes to luxury resorts has a higher standard of lifestyle	10(8.33%)	32(26.67%)	64(53.33%)	14(11.67%)	2.68
11. Luxury resorts are quite popular, so I want to experience by my own	10(8.33%)	29(24.17%)	69(57.5%)	12(10%)	2.69
12. I prefer to have more private space during my trip	4(3.33%)	10(8.33%)	71(59.17%)	35(29.17%)	3.14

In China, average salary level in urban areas is much higher than rural areas, as well as the pressure of living and working. Table 6 below demonstrated the connections between consumers' salary and the requirements for private space during travelling in luxury resorts. The consumers who earn higher salary have stronger desire to require more private space. On one hand, consumers need to pay more for private space; on the other hand, they need to have inner peace to balance the pressure. As a conclusion, consumer behavior could be motivated and influenced by different factors from social life and psychological changes.

Table 6. Connections between consumers' salary and the requirements for private space during travelling in luxury resorts

Connections between consumers' salary and the requirements for private space during travelling in luxury resorts			I prefer to have more private space during my trip				Total	Mean
		Strongly disagree	Disagree	Agree	Strongly agree			
Salary (RMB)	1,501 - 4,500	Amount	1	3	10	6	20	3.05
		Percentage	5.0%	15.0%	50.0%	30.0%	100.0%	
	4,501 - 8,000	Amount	2	2	23	7	34	3.03
		Percentage	5.9%	5.9%	67.6%	20.6%	100.0%	
	8,001 - 20,000	Amount	1	4	29	15	49	3.18
		Percentage	2.0%	8.2%	59.2%	30.6%	100.0%	
	>20,001	Amount	0	1	9	7	17	3.35
		Percentage	0.0%	5.9%	52.9%	41.2%	100.0%	
Total		Amount	4	10	71	35	120	-
		Percentage	3.3%	8.3%	59.2%	29.2%	100.0%	

Question 15 collected consumers' opinions about the luxury resorts in naked Retreats to research the impression of consumers on luxury resorts. 80% of the consumers expressed that luxury resorts in naked Retreats were attractive or extremely attractive to them, which reflected the market of luxury resorts in China is huge.

4.3 Discussion of the research

The development in the industry of luxury resorts in China was started from the beginning of 21st century. Although the amount of luxury resorts in China is rising rapidly and steadily, the competition focuses among those corporations are still on price and level.

The enhancement of creativity and diversity of products and services in luxury resorts is becoming the prior challenge for luxury resorts in China. To achieve the goal, corporations need to have a thorough understanding of their consumers, which lead to the analysis of factors that influence consumer behavior in luxury resorts.

According to the data analysis, family, role and status from social factors have representative influences on consumer behavior when considering travelling to luxury resorts in naked Retreats. Family in social factors play important role during the process of consumer decision-making. The research displayed that 88% of consumers who are living with family prefer to travel with family as well. The importance of social role and status on influencing consumer behavior can be reflected by 78.1% of consumers who agreed that luxury resorts are designed for consumers from upper middle class. It might be an effective approach for naked Retreats to attract more consumers by adjusting the information that delivered to the public. In other words, to emphasize that luxury resorts are designed for everyone, but not people in higher social class.

Age, economic situation and lifestyle from personal factors. Most of the consumers of naked Retreats are between 21 and 55 years old in this research. The employee from sales department of naked Retreats expressed that the main consumers of the luxury resorts are young and middle-aged people who is interested in experiencing new things and exploring the nature. More than half of the consumers in this research have higher wage than the average level in China. The motivation and travelling modes of consumers can be affected by their economic situation. Moreover, the programs and services consumers prefer to buy are highly connected with cost-effectiveness and consumers' lifestyle.

Motivation, perception, beliefs and attitudes from psychological factors affect the way consumers evaluate whether it is worthy for them to make decisions. Getting closer to the nature was considered as one of the most important reasons by consumers in this research, which means that consumers were motivated by the beauty of nature. Nearly 80% of consumers thought that reputation is important to luxury resorts, so consumers' impression to luxury resorts can be affected by their perception and beliefs. 85% of consumers thought that convenient transportation could not be ignored, which also highlight the effect of consumers' attitudes on travelling in luxury resorts. Furthermore, the feeling of security at luxury resorts was evaluated as the most important issue by the consumers in this research, especially younger consumers. The remote positions of luxury resorts could be one of the reason why the consumers worry about the security in

travelling areas, which is the stereotype of consumers. As one of the most important thing the company need to do is to decrease potential risks at the luxury resorts as much as they can.

Social class from cultural factors influence consumers' opinions and attitudes about luxury resorts. Over 50% of the consumers have bachelor's or higher degree. People in different social class has distinct living situations, their work, friends, colleagues and lifestyle could be totally different. As one of the symbols of social class, the level of schooling affect consumer behavior on luxury resorts.

The research has successfully analyzed the main influencing factors of consumer behavior on luxury resorts in naked Retreats. Apparently, consumer behavior can be influenced by one or more factors in the same process of buying. Customer retention can be enhanced if the company focuses on analyzing the main influencing factors and searching corresponding measures to improve the luxury resorts.

5 CONCLUSIONS

As the essential elements in the study of marketing and business, consumer behavior has always been discussed under the spotlights, the study of consumer behavior has been a timeless topic as well. The reason why marketers keep paying attention to the research and development of the frameworks and theories of consumer behavior is that the demand of consumers is the original motivation for producing and selling. More importantly, understanding the reason why consumers make the decisions is the key during the study of consumer behavior, which refers to the analysis of influencing factor of consumer behavior.

In this thesis, the aim was to research the main influencing factors of consumer behavior on the industry of luxury resorts in China by means of distributing questionnaires to consumers in the luxury resorts company naked Retreats in China. to make a deep discussion of what kind of operational adjustment the company could make to enhance customer retention. I learned a lot from proceeding this thesis, including the knowledge from tourism which I rarely studied before. The research provided me a brand-new vision about luxury resorts and consumer behavior. Although there were challenges during this research, the course of investigation was fulfilled.

As the case company of this research, naked Retreats provided me the opportunity to learn about luxury resorts. Based on the research, there are some recommendations for naked Retreats. There are increasingly more young consumers, to increase creative and stimulating programs and services and diversified entertainments for young consumers might keep the consumer retention and attract more potential consumers. Family-oriented trip has become a trend in naked Retreats, developing parent-child activities and programs might make the luxury resorts their second home. The combination with nature has always been the most attractive feature of naked Retreats, the increase of innovative nature-based programs could probably be the advantage over competitors. Promotions and discounts could attract more potential consumers, which are also sensible approaches to communicate with consumers in lower social class to expand the market share.

As a feasible method to increase validity and reliability of the research, it is important to enhance the logicality of designed questions. The application of quantitative research relatively increased the accuracy of the research, which enhanced the validity of the

research as well. Reliability of the research is mainly about the process of data collection. To emphasize that the survey would be filled anonymously, and the data collected would only be applied on this academic research could improve their confidence and patience to fill the questionnaire.

Talking about the limitations and obstructions during the research, luxury resorts as a topic, has not been studied and discussed by scholars, especially in China. Most of the previous research was concentrated on the operation and improvement of certain resorts, it was difficult to find related theoretical references. Furthermore, luxury resorts are extremely different in different countries or regions, it might be helpful to visit some of the luxury resorts and discover the features and differences. Then, consumer behavior is keeping changing in the fast-pace world, it is necessary to pay more attention to the tendency of how consumer behavior developed in the industry of luxury resorts.

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Appendix – 1 Questionnaire

Customer Survey about travelling in luxury resorts

Dear participant,

My name is Le Jiang. I am a bachelor student in Turku University of Applied Sciences, Finland. This questionnaire is essential part of my Bachelor thesis. Could you please spend 3 minutes to fill the questionnaire? Thank you so much!

Please do not hesitate to send me e-mail if you have any question related to this survey!

My e-mail address: le.jiang@outlook.com

BACKGROUND QUESTIONS

1. What is your gender?

- Male
- Female

2. What is your age?

- <20 21 - 25
- 26 - 30 31 - 35
- 36 - 40 41 - 45
- 46 - 50 51 - 55
- 56 - 60 61 - 65
- 66 - 70 >71

3. How do you live?

- I am living alone
- I am living with family
- I am living with friends
- Other (please specify) _____

4. What is the highest degree or level of schooling you have completed?

- No schooling completed
- Primary school to 9th grade

- High school graduate, diploma or the equivalent
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's degree
- Master's degree
- Doctorate degree

5. Employment status: Are you currently:

- Employed for wages
- Self-employed
- Out of work or looking for work
- A homemaker
- A student
- Retired

6. What is your monthly salary range? (RMB)

- <1,500
- 1,501 - 4,500
- 4,501 - 8,000
- 8,001 - 20,000
- >20,001

7. How often do you travel?

- Once a year
- 2 - 3 times a year
- 4 - 6 times a year
- More than 7 times a year

8. What is the most suitable time for you to travel? [multiple choice]

- Weekends
- Holidays
- Any time is suitable for me to travel
- Other (please specify) _____

MARKETING RESEARCH QUESTIONS

9. Where did you get to know the information of luxury resorts? [multiple choice]

- Social Media, such as Wechat, news applications
- Internet
- Family or friends
- Magazines
- TV programs
- Newspaper
- Radio
- Social events
- Other (please specify) _____

10. Which of the following phrases best describe the particular purpose of your trip? [multiple choice]

- Family time
- Learning new things, meeting new people and fulfill life experiences
- For working or business cooperation
- Inner peace or health
- Getting closer to nature
- Other (please specify) _____

11. How do you normally travel?

- Alone
- With family
- With friends
- With colleagues
- Other (please specify) _____

12. How important is reputation in your decision to choose a luxury resorts?

- Not at all important
- Slightly important
- Important

- Very important
- Extremely important

13. Please evaluate the importance of following phrases that influence your decisions on travelling in luxury resorts.

	Not important at all	Not important	Important	Extremely important
There are high-quality services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are fantastic stories and view	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The programs are good for health, like spa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Entertainments in luxury resorts are creative and diverse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can easily have a close contact with nature at luxury resorts to refresh myself from stressful daily life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are star-rated hotels and high-standards restaurants around luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commercials of luxury resorts on social media are attractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My family and friends suggest me to go to a luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is convenient for me to go to luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel secure at a luxury resort	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. To what extent do you agree with the following statements about travelling in luxury resorts?

	Strongly disagree	Disagree	Agree	Strongly agree
I am used to go to luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I have to go to luxury resorts for working/business purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Cost-effectiveness is the first thing I need to consider when planning to go to luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
I will have an overall research of luxury resorts before I decided to go	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Creative decorations in luxury resorts are highly attractive to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
I feel good about the “butler service” in luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
I would like to have “customized services” in luxury resorts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Luxury resorts is designed for consumers in upper middle class	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Going to luxury resorts can reflect my higher social status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
People who goes to luxury resorts has a higher standard of lifestyle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Luxury resorts are quite popular, so I want to experience by my own	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
I prefer to have more private space during my trip	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

15. As a customer, what is your opinion about the luxury resorts naked Retreats?

- Highly attractive
- Attractive
- Neutral
- Unattractive
- Extremely unattractive