

LUXURY SERVICES IN TOURISM

Global expertise in luxury tourism services and endemic application
in Lapland

Ivanov Denis

Thesis
School of Business Administration
Innovative Business Services Degree Programme
Bachelor's Degree
2017

School of Business Administration
Innovative Business Services
Bachelor of Business Administration

Author	Denis Ivanov	Year	2017
Supervisor	Jorma Mölläri		
Commissioned by	Ana Vouk		
Title of Thesis	Luxury Services in Tourism: global expertise in luxury tourism services and endemic application in Lapland		
Number of pages	52 + 5		

Lapland is one of the most advanced regions of Finland in terms of tourism services. Due to considerable demand, aforesaid services are in constant development and competitiveness, which generate more advanced and innovative approaches for performing them. One of the latest upcoming business directions, gaining popularity in Lapland is luxury services in tourism.

The objective of this thesis work is to study luxury tourism phenomena and significance of this specific types of services globally and from the northern perception. The focus was kept on theoretical investigation of the definition luxury, worldwide understanding of luxury, global expertise of luxury services in tourism and concrete ways of application of them in Lapland.

The quantitative research was implemented to inspect how luxury tourism services are considered worldwide and what are the aspects of luxury tourism services in use. In order to research similarities of worldwide expertise retrieved from the quantitative survey and local way of implementing luxury services the author of the thesis appointed a comprehensive interview with Luxury destination management company's experience manager regarding obtained expertise and its implementation in real life conditions of Finnish Lapland.

The result of the research allows to admit completely confident future and possibility to apply luxury tourism services in Finnish Lapland. Amount and character of information, containing expertise from all over the world regarding luxury tourism together with luxury destination management company manager's experience grant to forecast stable demand and confident development of luxury services across Finnish Lapland.

Key words: luxury tourism, premium customer service, excellent quality, uniqueness, heritage, Lapland

CONTENTS

1	INTRODUCTION	7
1.1	Thesis Problem.....	8
1.2	Thesis Aim and Objectives	9
1.3	Thesis Structure.....	10
2	LUXURY	11
2.1	History and background of term “Luxury”	11
2.2	Features of Luxury	12
2.3	Classification of Luxury	13
2.4	Old Luxury vs New Luxury	14
3	LUXURY SERVICES IN TOURISM.....	16
3.1	Luxury Services in Tourism.....	16
3.2	Types of Luxury Services.....	17
3.2.1	Luxury Transportation	17
3.2.2.	Luxury accommodation	18
3.2.3	Luxury Activities and Experiences.....	19
3.3	Luxury Service Consumer.....	20
4	QUANTITATIVE RESEARCH: IMPLEMENTATION AND RESULTS	20
5.	LUXURY SERVICES ENDEMIC APPLICATION IN LAPLAND	38
6	CONCLUSIONS	44
7	DISCUSSION	45
	BIBLIOGRAPHY	50
	APPENDICES.....	53

LIST OF FIGURES AND TABLES

Figure 1. Luxury products and services classification by price.....	13
Figure 2. Differences between conventional, old luxury and new luxury goods...15	
Figure 3. Basic transportation service and luxury transportation service.....17	
Figure 4. Luxury accommodation classification.....	18
Figure 5. Luxury activities and main elements.....	19
Figure 6. Regions of Luxury Tourism Providers.....	21
Figure 7. Luxury destinations in the region.....	22
Figure 8. Meaning of luxury to the luxury service providers.....	23
Figure 9. The most important features of luxury.....	24
Figure 10. Luxury in tourism.....	26
Figure 11. Premium luxury brands and products in luxury tourism.....	27
Figure 12. Luxury tourism customer.....	28
Figure 13. Luxury tour values, based on customer's feedback.....	29
Figure 14. Luxury customer's transportation preferences.....	30
Figure 15. Luxury customer's accommodation preferences.....	31
Figure 16. Luxury customer's itinerary activities preferences.....	32

Figure 17. How area meets luxury customer's interests.....33

Figure 18. How hospitality and tourism services meeting needs of luxury customers.....34

Figure 19. Challenges of the luxury tourism in the area.....35

FOREWORD

I would like to forward deepest thanks to Ilkka Länkinen and Katja Ikäheimo-Länkinen for all of their contribution in my life and giving me an opportunity to work and grow in a great company of Santa Park Arctic World. It is a big pleasure to explore everyday something new together with my new family in a world of best experience all year around.

Moreover, I would like to thank my dear colleagues Ana Vouk, Yulia Chechulinskaya and Katariina Seppänen for all their help and guidance through the years us making the best experience for all the guests of Lapland. Their kindness and love has been supporting me and warming my heart in days of need.

I am very grateful to Anzelika Krastina, Tuija Kuisma and Kaisa Lammi from Lapland University of Applied Sciences for all their knowledge they shared with me and hundreds of other happy students. Huge thanks to Eija Turunen for her assistance and decision making skills, and my thesis supervisor Jorma Mölläri for his kind guidance and feedback, which helped me to develop my work.

The thesis has been designed together with the commissioner from the Luxury Tourism Services provider and concluded with an interview, sharing local know-how and estimating possible application of the thesis. Quantitative research is aimed to contribute positively in the field of services in tourism.

The thesis will utilize the interview to estimate real life outcome applications of the Quantitative Research. The interview has been made together with Ana Vouk, Customer Experience Manager behind Lapland Luxury brand.

Lapland Luxury is operated by the entrepreneur couple Ilkka Länkinen and Katja Ikäheimo-Länkinen. This company has years of experience in creating unique services and experiences and their family company owns the Metsäkyly, Joulukka, SantaPark, Rakas Restaurant and Arctic TreeHouse brands.

1 INTRODUCTION

Tourism has been showing sustainable growth dynamics over the decades, which makes tourism significant drive force for world economy development. By 2016, the business volume of tourism is eclipsing global food, oil and light machinery exports, generating 10.2% of global GDP (World Travel & Tourism Council 2017).

One of the most important triggers for the tourism sector development dynamics are improved tourism destination accessibility and wide range of services developed due to high financial potential. According to United Nations Tourism World Organisation (2016) more than three million tourists are crossing international borders daily, over 1.2 billion people travel abroad every year. In 2015 international tourism generated 1.5 trillion USD in export revenue. Global spread and economical sustainability of the tourism produced solid economic, social and labour development in many regions.

Tourism and Hospitality Industries are becoming the most considerable leading industries in Finnish Lapland. In accordance with Lapin matkailustrategia 2011 – 2014 (2010) following industries are governmental strategic priority for investment attraction and development.

At the moment, Finnish Lapland offers a wide range of tourism services together with rich selection of places to stay, starting from reasonably priced and up to high-class attractions across Lapland. Stable growth of the worldwide tourism sphere together with rapid expansion of mass tourism generates energetic competition. In order to succeed, companies are coming into the business and evolve completely new and different categories of tourism services. One of the worldwide known types of services, Luxury Tourism Services recently found its own representation on North Finnish market.

1.1 Thesis Problem

The focus of the thesis is on Lapland area, Finland. According to the Regional Council of Lapland (2013) aforementioned area doubled the amount of overnight stays over past 15 years and gained around 900 thousand of flight passengers, coming to Lapland every year.

Stable volume of tourists coming to Lapland and sustainable tourism network development together with tranquil economic conditions made tourism sphere quite popular among local business owners and attracted more diversified customer groups. (Visit Finland, Finpro, 2017)

Popularity of tourism as a one of the dominant business spheres produced quite strong competitiveness on the Lappish market. Local companies are in constant investigation of new types of services and hospitality options in order to strengthen their position on the market.

Improved volume of guests coming to Lapland generated new offers and customer pain, needed to be solved. Many of the travellers are seeking for extraordinary experiences and are ready to spend decidedly more funds to get an authentic and tailor-made experiences in accommodation, excursions and activities, and get deeper touch to the local culture and heritage. As one of the most trending offers, serving to provide following experiences appeared on Finnish Lapland – Luxury Tourism business.

Luxury Tourism Services in Lapland is a brand young and scarcely researched topic in field of services in tourism. Thesis is designed to accumulate and spread information regarding global standards and perception of Luxury Tourism, and collecting other countries expertise in order to contribute positively to local application of Luxury Tourism Services in Finnish Lapland.

1.2 Thesis Aim and Objectives

The aim of the thesis is to research Luxury Tourism phenomena in tourism, collect worldwide Luxury Tourism Service expertise, and estimate real-life conditions of implementation of the above-mentioned expertise in Lapland.

Luxury Tourism in Lapland is remaining to be a quite inexperienced type of hospitality and tourism services, lacking theoretical implementation approach together with paucity of real life expertise share.

The Thesis aims to contribute positively in the Luxury Service development by completing following objectives:

1. Define luxury tourism: wide range of information from public and printed sources. Further analysis will be performed by utilizing several research work from different sources: universities, individual researchers and data from research centres - to get a bright picture from several perspectives and underline the most important aspects of luxury services.
2. Research luxury services expertise worldwide: quantitative research performed together with luxury service operators in tourism worldwide will allow to share global practices and underline key points in luxury services implementation.
3. Investigate current position of luxury services in Lapland and share results of the worldwide expertise research: Estimate current positions of local Luxury Services representatives and forecast possible outcomes application of the Quantitative Research.

1.3 Thesis Structure

Chapter 1 underlines topic background and case problem. In order to contribute positively to the case problem solution, aims and objectives needed to be revealed and accomplished.

Chapter 2 researches luxury and define luxury services. Following part will take a closer look at history of luxury and luxurious services and goods development, criteria of luxury tourism, consumption and consumer needs of luxury goods and services.

Chapter 3 implementing quantitative research in order to collect data regarding luxury service providers' global expertise. Wide selection of questions together with diversity of question types will allow to get a brighter picture from several perspectives regarding luxury services in worldwide tourism.

Chapter 4 is the interview, disseminating quantitative research's results together with experience manager from local luxury destination management company to take a deeper look at endemic application of luxury services in Lapland.

2 LUXURY

2.1 History and background of term “Luxury”

Term luxury has a very deep origin – the word is taking its base from Latin “lux” which means light and enlightenment. First traces of term “Luxury” could be found in 13th century as “Luxuria” meaning rankness, and close term “Luxus” meaning extravagance in Latin. Late, this term has been converted to Middle English luxurie and has been used in order to describe expensive and rare goods on the marketplaces. (Random House Webster’s Dictionary, 2001)

One of the first extended definitions of luxury was given by Adam Smith (1776) who separated necessities in daily life and luxury products as goods excepting necessities. Luxury has been also defined as a drive force for social wealth improvement and wish to keep and accumulate wealth.

Wealth accumulation and intensive luxury segment development has been initiated from the late 18th century, when European apparel traditions triggered to extend market of unique and expensive clothing and perfume. This phenomenon made a solid contribution to the modern formulation of term luxury. (Tungate 2009).

According to Oxford Dictionary (2017) luxury is a state of great comfort or elegance, especially when involving great expense. This definition underlines value of comfort and elegance importance of luxury at the significantly bigger price of luxury.

The American Heritage Dictionary (2017) defines luxury as something that is desirable but expensive or hard to obtain or do. Despite of the high cost,

mentioned in previous statement, this definition points out low accessibility and certain attitude for service implementation.

Luxury goods and services were quite isolated niche until they gained rapid development in the end of 20th century. World democratization, increase of buying power, globalization and modern communication tools performed socio-economic evolution and affected positively in the development of luxury sector (Bastien and Kapferer, 2014).

2.2 Features of Luxury

In order to explore deeper luxury and obtain features of luxury, Dubois & Duquesne (1994) performed two-step quantitative survey. Following characteristics of Luxury appeared as a result of the research:

1. Excellent quality of luxury services and goods serves to offer everlasting high product or service features, which will be performed with extraordinary attention to details and production process, in order to not be disposed or forgotten. Excellent quality contributes to keep brand's legacy and gaining the value over the time.
2. Premium pricing is a proven marketing strategy of selling a luxury product or service at a cost level above that of its competition to make it appeal to more exclusive and wealthy consumers. Production of an item or service might also add a price premium to its advertised cost to attract more affluent customers that can afford to invest more in a quality.
3. Scarcity and uniqueness is an extraordinary nature of luxury items and services together with high-resource consuming production makes aforementioned group of items and services quite rare and harder to access by wider target groups.
4. Aesthetics and sensory stimulation – product and service has been designed to stimulate senses and affect positively on the aesthetic perception of the consumer in order to raise interest and consumption need to the product or service.

5. Heritage and long history – product or service is representing brand identity and legacy, together with owning timeless values to extend consumer’s loyalty and service or product utilization time.

6. Non – essential – value of luxury being a subject to substitution or avoidable. Luxury items and services are possible to substitute to a cheaper option or avoid utilization. However, luxury consumers are willing to pay more for experiences and aesthetics due to emotional importance of the product or service.

Characteristics of luxury are crucial for luxury consumer. Luxury products and services attract specific type of customer group utilizing aesthetic taste and involving senses, by being timeless classic, carrying heritage and improving value in time it is considered to be a good investment. (Kaufmann, A.2015.)

2.3 Classification of Luxury

Business Insider formulated classification of luxury in accordance with luxury appearance: physical luxury (automotive products, clothing items, cosmetics, accommodation) and non – physical luxury (health, leisure, experiences, wellness, social networking tools). (Business Insider 2015.).

Luxury products and services could be classified by price: Entry level luxury, commonly used level of luxury and top level luxury.



Figure 1. Luxury Products and Services Classification by price.

As seen from Figure 1 - Entry level luxury items are products and services, which luxury consumers utilize daily: stationery, cosmetics, perfumes and clothing, wellness services, diets and workout assistance. Compared to common products with the same functions, entry level luxury items could be significantly more expensive.

Commonly used luxury items are less-essential products of daily life, serving to bring emotional contribution to the lifestyle of a luxury consumer for a solid investment. Entry level luxury items are relatively cheap compared to commonly used luxury: watches, jewelry, cars, gadgets and technical solutions, decorations, private porter and planner service.

Top luxury items are hard to access and they are exclusive products and services. Price is not the only aspect of low accessibility; scarcity, uniqueness and complicated implementation are usual motives for rareness of the top luxury products and services. Designer luxury villas, private jet planes, yachts are subjects to top luxury. Exclusive tailor-made travel programs, involving entry level, commonly used and top luxury – it is a bright example of top luxury service. Space travel became one of the top luxury services, being developed over the years, proving to become a unique top luxury service once it will be launched. (Erwan Rambourg 2014.).

2.4 Old Luxury vs New Luxury

Old luxury is referring to luxury consumers with “old money” – accumulated inherited family wealth or long-term success. This form of luxury considered to be available to older generations and their families. Product and services were designed in order to carry out historical function, to picture brand legacy and share it with the consumer. (Aldrich 1990.).

Main characteristics of old luxury products and services – to be timeless classic and carry out brand or company heritage, representing its rich legacy, traditions and unique attitude towards service performance or product design. Bright examples could be found in Maybach, Rolls Royce, Louis Vuitton, Burberry – company products and services are designed to highlight values, materials, and shapes. With these attitudes old luxury brands and service providers still have a very specific space on the market, however, when new luxury companies are applying new attitude and gaining popularity among consumers, seeking for lifestyle improvement and extraordinary experiences.

One of the most powerful drive forces, led to the intensive luxury sector development and formulation of “new luxury” term is “democratization of luxury”. Democratization of luxury, luxury goods or services are now available to an increased number of consumers. World globalization and Internet influenced to lower the high-entry barrier for the luxury sector and made luxury items and experiences more accessible.

Democratization of luxury modified and rearranged luxury core characteristics and attributes, keeping the main aspect on extraordinary experiences, instead of heritage and legacy representation. Luxury products, brands and services, which used to be exclusive and rare, became more accessible for the public.

New luxury concept was carried out by Michael Silverstein as “products and services that possess higher levels of quality, taste, and aspiration than other goods in the category but are not so expensive as to be out of reach.”

In comparison with old luxury, new luxury goods and services are significantly easier to reach, which is an enlarging target group. At the affordable availability and price, value is still a dominant quality for new luxury, conducted without extra elitist features. By keeping the value as a main driving force, new luxury services and goods are providing extraordinary experiences compared to conventional or mass product. (Silverstein & Fiske.)

	Conventional	Old Luxury	New Luxury
Affect	Bland	Aloof	Engaging
Availability	Ubiquitous	Exclusive	Affordable
Price	Low cost	Expensive	Premium
Quality	Mass produced	Handmade	Mass artisanal
Social Basis	Conformist	Elitist	Value driven

Figure 2. Differences between conventional, old luxury and new luxury goods

“New Luxury” became a trend of spending more on experiences and lifestyle enhancers rather than goods. Entertainment (theatre, concerts, shows), social events (networking events, conferences, business pitching), dining and wine activities, wellness (spa, massages, beauty treatments) and travel together with premium hospitality and tourism products are triggering constant development of new Luxury value. (V.Derzhaev 2009.)

3 LUXURY SERVICES IN TOURISM

3.1 Luxury Services in Tourism

Luxury tourism is not necessarily linked straight to luxury brands and products involvement. Tourism industry has been developing in the experience dominant logic stream over the past decades, making experience as a top criteria of tourism services.

According to Bakker (2005) Luxury tourism could be defined as a top-quality experience rather than trend led brand that exists in other areas of consumer purchases. Tailor made experience together with high-degree customization are main parameters of luxury tourism market.

Luxury experiences may involve travel to exclusive resorts, tailor-made packages, including private jets, and an emphasis on comfort, service, relaxation, sumptuous quality, attention to detail and exacting standards. The exclusivity of the experience and above all the uniqueness for the consumer. (Howarth HTL, 2011.)

3.2 Types of Luxury Services

Luxury experiences are associated with a wide range of tourism services involved: transportation, accommodation, and activities. (Howarth HTL 2011.)

3.2.1 Luxury Transportation

Luxury transportation is a premium type of transportation, serving to satisfy luxury consumer's needs and provide enhanced travel experience. Luxury transportation services are covering wide range of transportation services and requiring specific vehicles and services to be involved:

Transportation Type	Basic Service	Luxury Transportation Service
Air Transportation	Line waiting registration, Economy class seat	Private Jet Service, Private Helicopter Chartering, First Class Service, Not required or Easy Flight Registration Service
Road Transportation	Scheduled bus transportation	Exclusive car rentals with premium brands, limousine services, private chauffeur, valet parking, transportation in the home and around premises, 24h availability
Water Transportation	Ship cruise	Luxury cruises, luxury yacht rental service, crew and catering services
Rail Transportation	Economy class seat	First Class Service, Extra Services included

Figure 3. Basic Transportation Service and Luxury Transportation Service

One of the special attributes of the luxury transportation could be seen from Figure 3 – luxury transportation involves more premium and additional services: easy registration, private chauffeur, catering and bar services included. Extra attention to details, such as retrieving information regarding luxury consumer's travel, environment, food and drink preferences could be applied in order to improve service quality.

3.2.2. Luxury accommodation

Luxury accommodation is a premium type of accommodation, serving to satisfy luxury customer's needs during the tour and enhance experiences of the stay.

Accommodation type	Subclass	Features	Example
City Hotels	1) Classic Luxury Hotels	Classic luxury design, spacious environment	The Ritz (Paris), The Pierre (New York)
	2) Boutique or designer hotels located in the city center	Unique design, detailed interior and exterior	The Bulgari (Milano)
	3) Destination hotels with exceptional surroundings	Themed interior, hotel background	Monasterio (Cuzco)
Spa Resorts	1) Beach Hotels	Location by the beach, beach activities	Baros Maldives (Maldives)
	2) Golf Hotels	Golf activities on the site	Argentario Golf Resort & Spa (Tuscany)
	3) Mountain Hotels	Location by the mountains, ski activities	Premier Luxury Mountain Resort (Bansko)
	4) Lodges and Retreats	Wellness and retreat activities	7 Secrets Resort and Wellnes Retreat (Lombok)
Self-Catering Villas	Private Villa	Exclusivity, wide range of services and staff	Villa Säikkärä (Lapland)

Figure 4. Luxury accommodation classification

As seen on Figure 4. Luxury accommodation is a quite narrow-profiled type of accommodation, which delivers very specific solution to the customer need.

Due to that fact, luxury accommodation could be divided into following sub-groups by following aspects: accommodation status, facilities, and onsite specialization and services into City Hotels, Spa Resorts and Self-Catering Villas. (Howarth HTL 2011.)

Uniqueness and extraordinary experience is one of the top trends in luxury accommodation market, luxury customers are seeking for brand new experiences of staying in a unique and high-end environment (boutique hotels, fully serviced cottages and apartments) rather than old luxury branded hotels.

3.2.3 Luxury Activities and Experiences

Individuality and privacy are one of the essential aspects in luxury tourism management: private tours with interesting location together with authentic adventure experience. Possibility to purchase local products and unique souvenirs to bring back feasible experiences is an obligatory addition for experience enhancement.

Howarth HTL defined luxury consumer's choice of activities into following sub groups:

Activity	Main elements
Tours	Art, History are key themes that drive the organization of the travel
Outdoors	Sailing, skiing, adventure, and wildlife are special -interest outdoor activities
Food and Wine	Wineries with on-site restaurants, hotels and spas. Tasting schools and cooking schools are developing and opening to tourism, not only in wine regions but also in key cities.

Figure 5: Luxury Activities and main elements

From Figure 5 it could be seen, that opportunities of obtaining authenticity, exclusivity, uniqueness and tailor made experiences are common drive forces for luxury activities.

3.3 Luxury Service Consumer

Perception changing in old luxury towards new luxury could be seen, that today's luxury customers are seeking for experiences more than status. Democratization of luxury together with formulation of new luxury are promising that luxury tourism will continue to grow and expand, accessing to wider target groups. Big part of this support will be gained through the younger luxury travelers.

Although value of money might be not the most important subject for luxury customer, consumers would like to know detailed in advance what are they paying for, driven not by costs, but for value. Luxury travelers are seeking for tailor made programs, with wider number of products and services included. (Forbes 2013.)

Luxury consumers are looking forward for extraordinary experiences and unique services in tourism. Money value is becoming not the most crucial aspect of travel, value of experience, it is uniqueness and high-end attributes of the trip are. (Fitzsimmons 2012.)

4 QUANTITATIVE RESEARCH: IMPLEMENTATION AND RESULTS

4.1 Implementation of the Quantitative research and results

The author of the thesis conducted a quantitative research method survey to provide deeper understanding of worldwide luxury tourism services phenomena. Quantitative research will allow to get a wider range of Luxury Destination Management Companies to get a better look of global Luxury Service expertise from different perspectives. The survey was conducted in April 2015 via online questionnaire tool Webropol. The author was in Finland when survey took place:

monitoring, retrieving and processing the data. Webropol online tool has been used – survey was carried out in electronic format; data storage is web-based and could not be conducted or edited via paper or physically.

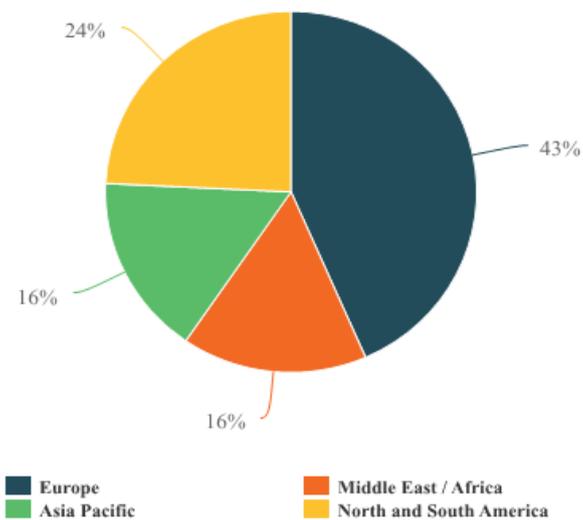
The survey was designed specifically for information retrieval from luxury tourism providers, operating everyday with several types of luxury services altogether in transportation, accommodation and activities: luxury travel companies, luxury tour managers and collaborations worldwide. In March 2016, the author performed preliminary Internet-based research regarding survey distribution sources-email addresses and contacts in order to distribute the survey link and retrieve data. The questionnaire consisted of 14 close-ended questions. There are 6 single choice questions, 6 multiply selection questions, 1 statement evaluation questions and 1 question with text entry window. The questionnaire was conducted in February 2016, edited 2 times in March 2016 during thesis' theory complement and questionnaire participant's privacy policy.

Due to fact, that thesis will be published in open source library theseus.fi, most of the respondents expressed their wish to stay incognito. The main argument for incognito information retrieval is a contribution to the questionnaire could be used by the competitors of the field.

Questionnaire has been delivered through the email channel of communication: 100 of worldwide luxury tourism providers email addresses were chosen after preliminary research which took place in March 2016.

In total 37 luxury tourism providers took place in the survey. The amount of responses was different to each question due to questionnaire data retrieving method: mixed method of question settlement was used to access information from different perspectives. Question number 2, containing non-obligatory text entry window gained 15 responses out of 37, which equals of nearly 40,5% of total responses. Rest of 13 questions gained one hundred percent (100%) of the respondents' answers in the survey. (N=37)

37 respondents shared their location in general. 16 representatives from European luxury tour providers (43.24%), 9 representatives from North and South America (24.32%), 6 representatives from Middle East / Africa (16.22%) and 6 representatives from Asia Pacific (16.22%) took place in the survey (Figure 6).



	N	Percent
Europe	16	43.24%
Middle East / Africa	6	16.22%
Asia Pacific	6	16.22%
North and South America	9	24.32%

(N=37)

Figure 6. Regions of Luxury Tourism Providers

15 respondents from all over the world shared their most famous operational locations in a question regarding luxury destination in the region (Figure 7).

Europe's most developed luxury tourism service destinations are Venice, Rome, Paris, Barcelona and London. The most advanced luxury tourism region in Middle East and Africa is United Arab Emirates (UAE) and specifically Dubai. Bali and French Polynesia have represented Asia Pacific. North and South America's luxury tour operators stated that the most famous travel destinations are usually domestic tourism in USA and Canada, vacations on Caribbean islands and in Mexico.

The question was non-obligatory and was aimed specifically to get more detailed information regarding luxury tourism operating areas in different parts of the world.

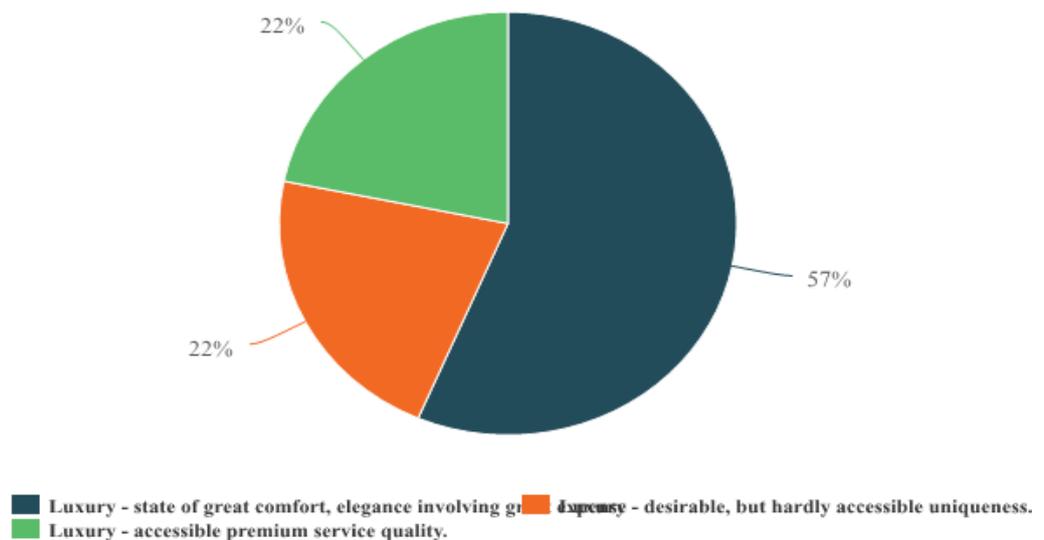
Europe	Middle East / Africa	Asian Pacific	North and South America
Venice	Dubai	Bali	USA, domestic travel
Corfu	UAE	French Polynesia	Caribbean
Roma	United Arab Emirates		Canada
Paris			Mexico
London			
Barcelona			

(N=15)

Figure 7. Luxury destinations in the region.

37 respondents shared their vision regarding the meaning of luxury (Figure 8).

The question had 3 options: Luxury as state of great comfort, elegance, involving great expense was chosen by 21 respondents (56.76%), representing conservative definition of “old luxury” and standard luxury values. Luxury as a desirable, but hardly accessible uniqueness was chosen by 8 respondents (21.62%) representing hybrid option between “old luxury” and “new luxury” and its core value of uniqueness. Luxury as an accessible premium service quality, representing values of “new luxury” has been chosen by 8 respondents (21.62%)



	N	Percent
Luxury - state of great comfort, elegance involving great expense	21	56.76%
Luxury - desirable, but hardly accessible uniqueness.	8	21.62%
Luxury - accessible premium service quality.	8	21.62%

(N = 37)

Figure 8. Meaning of luxury to the luxury service providers.

37 respondents gave their personal evaluation regarding importance of the qualities of luxury. (Figure 9)



	1	2	3	4		Total	Average
Standard Quality	0	0	15	22	Excellent Quality	37	3.59
	0%	0%	40.54%	59.46%			
Affordable Pricing	0	6	13	18	Premium Pricing	37	3.32
	0%	16.22%	35.14%	48.65%			
Popular and Mainstream Services	1	13	14	8	Scarcity and Uniqueness	36	2.81
	2.78%	36.11%	38.89%	22.22%			
Does not involve aesthetics	1	10	16	10	Aesthetics and Sensory Stimulation	37	2.95
	2.7%	27.03%	43.24%	27.03%			
Brand new	5	8	13	11	Heritage and Long History	37	2.81
	13.51%	21.62%	35.14%	29.73%			
Unavoidable	2	18	11	5	Non - essential	36	2.53
	5.56%	50%	30.56%	13.89%			
Total	9	55	82	74		220	3

(N = 37)

Figure 9: The most important features of luxury.

Excellent quality of luxury services has been evaluated the most by 22 respondents (59.46%). The rest 15 respondents voted for premium quality (index 3 out of 4) (40.54%).

18 respondents (48.65%) considering premium pricing as an essential part of luxury. 13 of respondents (35.14%) claimed that luxury pricing could be a bit affordable; 6 respondents (16.22%) stated that luxury pricing could be quite close to the affordable. 0 respondents stated that luxury consist of completely affordable pricing.

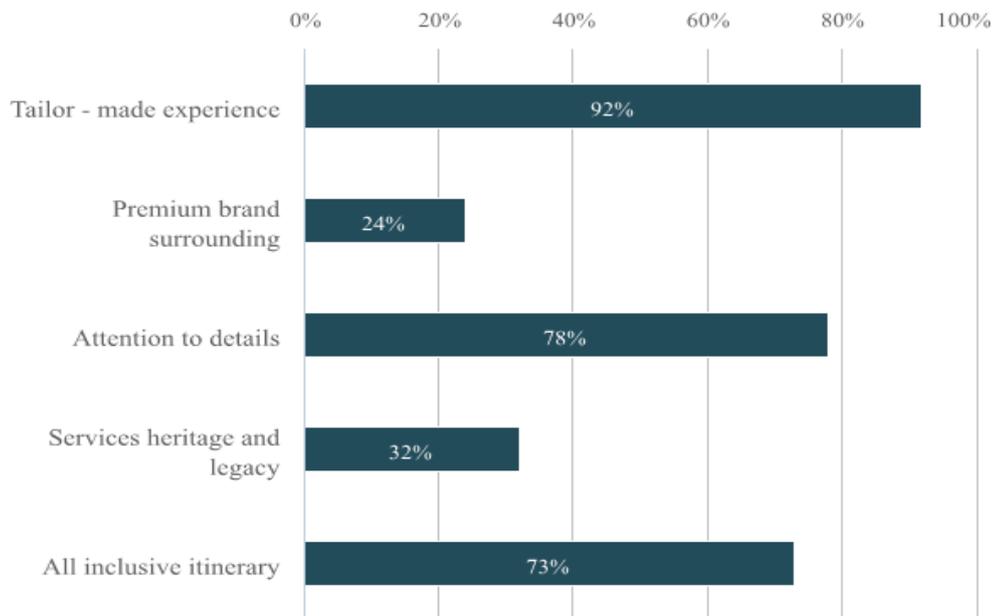
8 of the respondents (22.22%) are involving completely unique and scarce items and services in their operations. However, 14 of respondents (38.89%) involve less unique and easier to find servicers, 13 of respondents (36.11%) are seeking for more popular and mainstream services, and 1 respondent (2.78%) always utilizing affordable and popular services. 1 respondent could not answer.

10 respondents (27.03%) admitted that aesthetics and sensory stimulation is important for luxury services and products. The biggest group of 16 (43.24%) declared that aesthetics is not completely essential part of luxury, but quite important. 10 respondents (27.03%) almost do not involve aesthetics, 1 respondent (2.7%) does not involve aesthetics at all.

11 respondents (29.73%) prefer luxury goods and services with heritage and long history, biggest group of 13 (35.14%) declared that heritage and long history of the product and service is quite significant, 8 respondents (21.62%) are trusting more brand-new services and goods, 5 respondents (13.51%) are utilizing new services without long time heritage.

5 respondents (13.89%) admitted that luxury is "non-essential". 11 respondents (30.56%) declared that luxury items and services are not completely avoidable, 18 respondents (50%) stated that luxury is partly unavoidable, 2 respondents (5.56%) claimed that luxury is unavoidable. 1 respondent could not answer.

37 respondents shared their vision regarding the most significant aspects of luxury applied to tourism sphere of business. This is a multiselection question with a possibility to choose several parameters of meaning luxury in services (Figure 10). Totally 111 answers were selected.



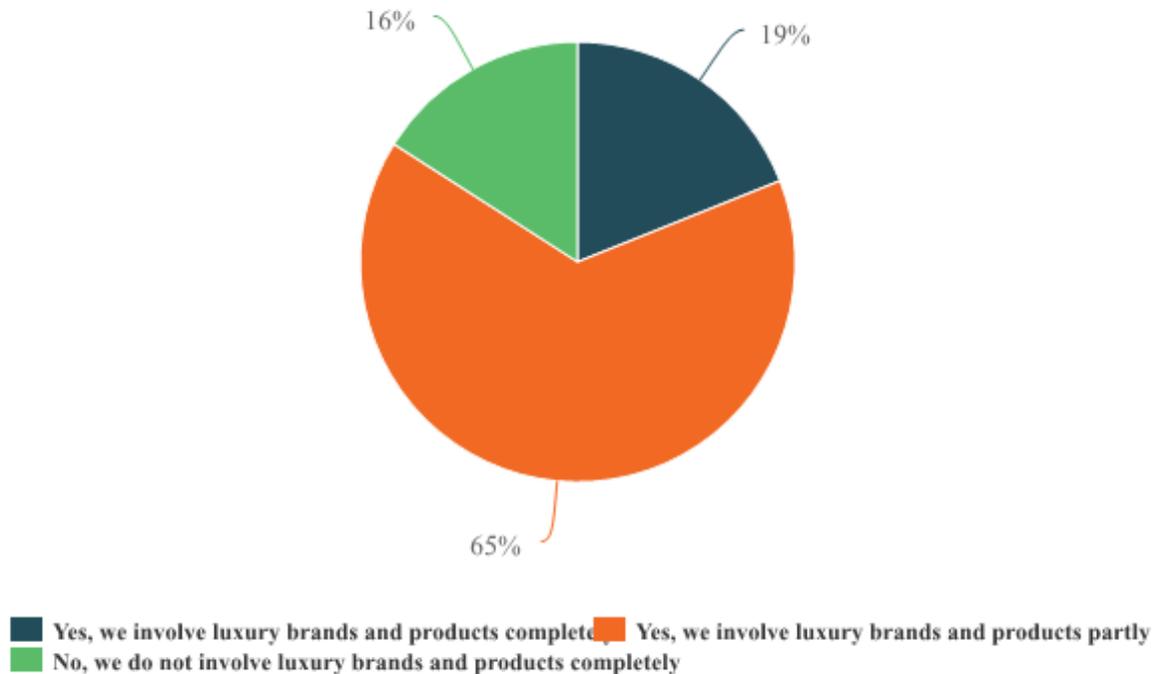
	N	Percent
Tailor-made experience	34	91.89%
Premium brand surrounding	9	24.32%
Attention to details	29	78.38%
Services heritage and legacy	12	32.43%
All inclusive itinerary	27	72.97%

(N = 111)

Figure 10. Luxury in tourism.

34 respondents (91.89%) shared their vision of luxury in tourism consists of tailor-made experience. Only 9 respondents (24.32%) informed, that they are using premium brand surrounding while performing luxury services in tourism. 29 respondents (78.38%) admitted importance of attention to details. 12 respondents (32.43%) are involving services with heritage and legacy while implementing luxury tourism, 27 of respondents (72.97%) conducting luxury all-inclusive itineraries in their operations.

All of the respondents (37) shared their expertise regarding application of luxury brands in tourism services (Figure 11).



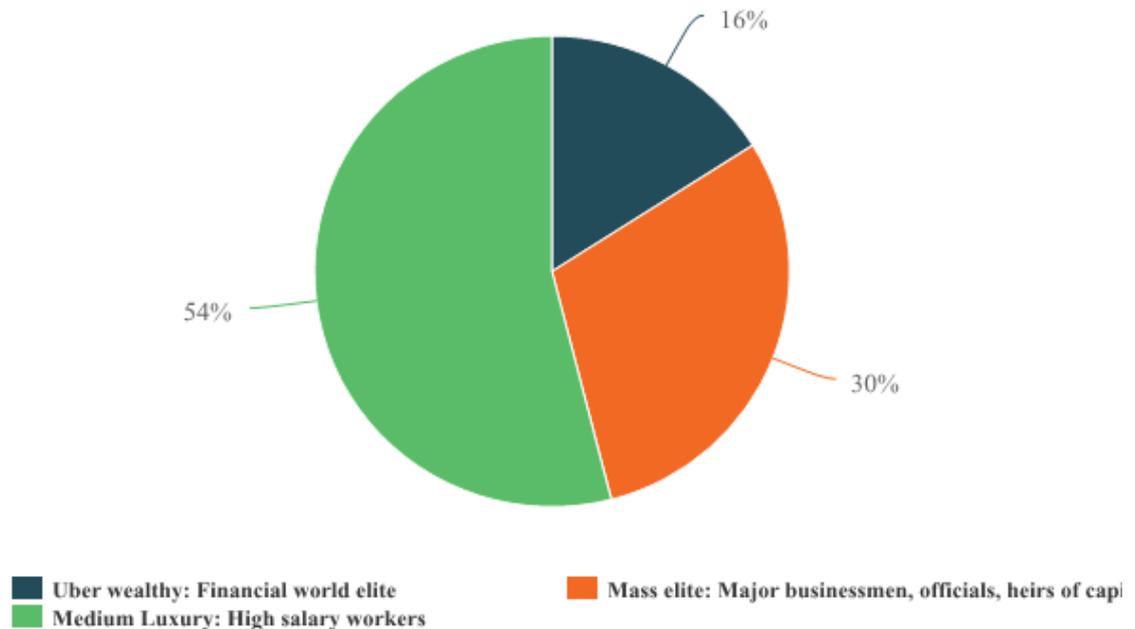
	N	Percent
Yes, we involve luxury brands and products completely	7	18.92%
Yes, we involve luxury brands and products partly	24	64.86%
No, we do not involve luxury brands and products completely	6	16.22%

(N = 37)

Figure 11. Premium luxury brands and products in luxury tourism.

As it can be seen from the Figure 11, 24 respondents (64.86%) involve luxury products and brands in their tourism operational activity partly, 7 of respondents (18.92%) involve luxury products and brands completely, and 6 respondents (16.22%) do not involve them.

All of the 37 respondents contributed in the definition of customer for the luxury tourism services (Figure 12).



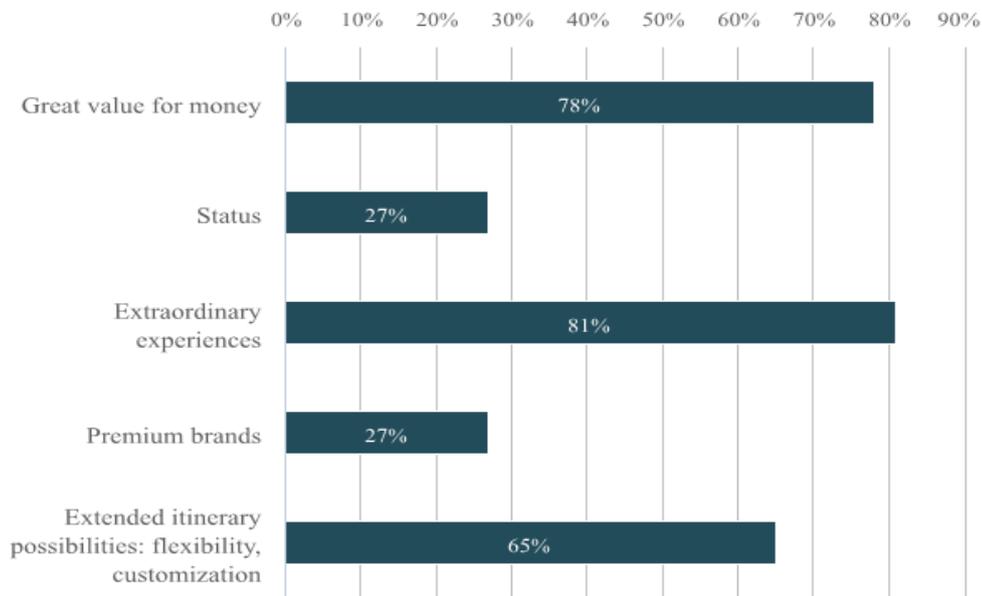
	N	Percent
Uber wealthy: Financial world elite	6	16.22%
Mass elite: Major businessmen, officials, heirs of capital, stocks & shares entrepreneurs	11	29.73%
Medium Luxury: High salary workers	20	54.05%

(N = 37)

Figure 12: Luxury tourism customer

20 respondents (54.05%) declared that the biggest customer group for their operations is medium luxury clients, represented by high salary workers. 11 of the respondents operating with mass elite guests: major businessmen, officials, heirs of capital, stocks & shares entrepreneurs. 6 of the luxury tour operators (16.22%) are working with uber wealthy customers: financial world elite.

37 respondents shared their vision regarding the most important values, which customers are seeking in their luxury tour itineraries. (Figure 13) This question was a multi selection question, total of selected answers is 103.



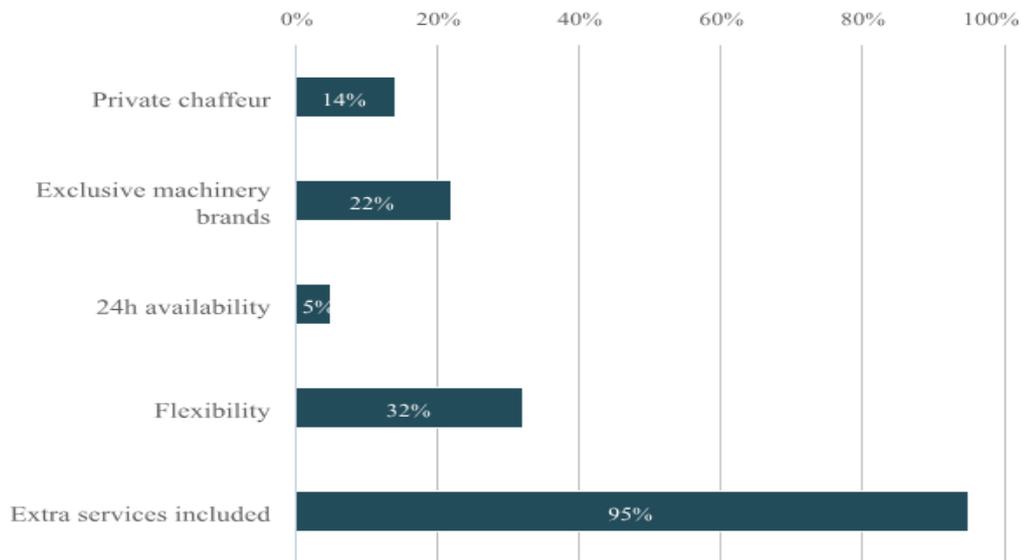
	N	Percent
Great value for money	29	78.38%
Status	10	27.03%
Extraordinary experiences	30	81.08%
Premium brands	10	27.03%
Extended itinerary possibilities: flexibility, customization	24	64.86%

(N = 103)

Figure 13: Luxury tour values based on customer feedback

30 of the luxury tour operators reported, that most of their guests are seeking for extraordinary experiences (81.08%). Second the most essential value of great value for money was underlined by 29 respondents (78.38%). 24 of the respondents (64.86%) admitted, that their clients are looking forward for the extended itinerary possibilities: flexibility and customization, 10 of the respondents (27.03%) claimed, that their customers are buying itineraries in order to upgrade their status, and 10 of the respondents (27.03%) confirmed, that their guests are seeking for premium brands in the itineraries.

All of the respondents expressed their opinion regarding one of the 3 components of a luxury tour itinerary is transportation. This question also was designed as a multi selection question, 37 respondents chosen 62 answers in total (Figure 14).



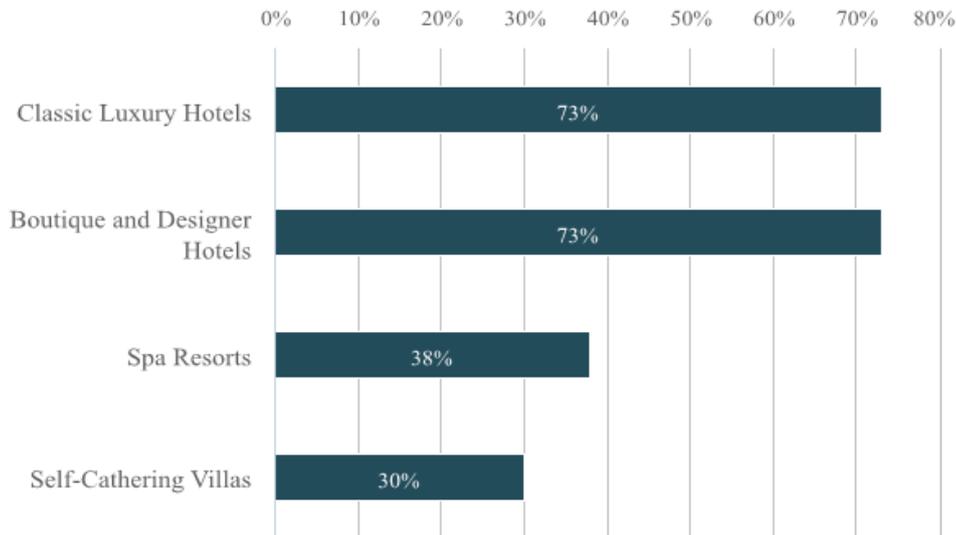
	N	Percent
Private chauffeur	5	13.51%
Exclusive machinery brands	8	21.62%
24h availability	2	5.41%
Flexibility	12	32.43%
Extra services included	35	94.59%

(N = 62)

Figure 14: Luxury customer's transportation preferences

35 respondents (94.59%) underlined, that the most important service for luxury transportation is inclusive extra services, 12 of respondents (32.43%) chosen transportation flexibility, 8 of the respondents (21.62%) declared that exclusive machinery brands are important for luxury transportation. 5 respondents (13.51%), 2 respondents (5.41%) chosen 24h availability as an important part of luxury transportation.

All of the 37 respondents shared their vision regarding luxury customer accommodation preferences. Multi-selection question, gaining 79 selected answers.



	N	Percent
Classic Luxury Hotels	27	72.97%
Boutique and Designer Hotels	27	72.97%
Spa Resorts	14	37.84%
Self-Catering Villas	11	29.73%

(N = 79)

Figure 15: Luxury customer's accommodation preferences

As it could be seen from figure 15, Classic Luxury Hotels and Boutique and Designer Hotels were chosen by 27 respondents (72.97%), which makes it the most wished accommodation types in the questionnaire. 14 of the respondents chosen Spa resorts as preferable accommodation for luxury travel, 11 of the luxury tour companies (29.73%) are using Self-catering Villas in order to satisfy customer accommodation preferences.



	N	Percent
Tours - art and history tours	23	62.16%
Outdoor activities - skiing, adventure, wildlife activities	18	48.65%
Spa and wellness activities	17	45.95%
Gourmet activities: wine production and restaurant visits, tasting and cooking schools	18	48.65%

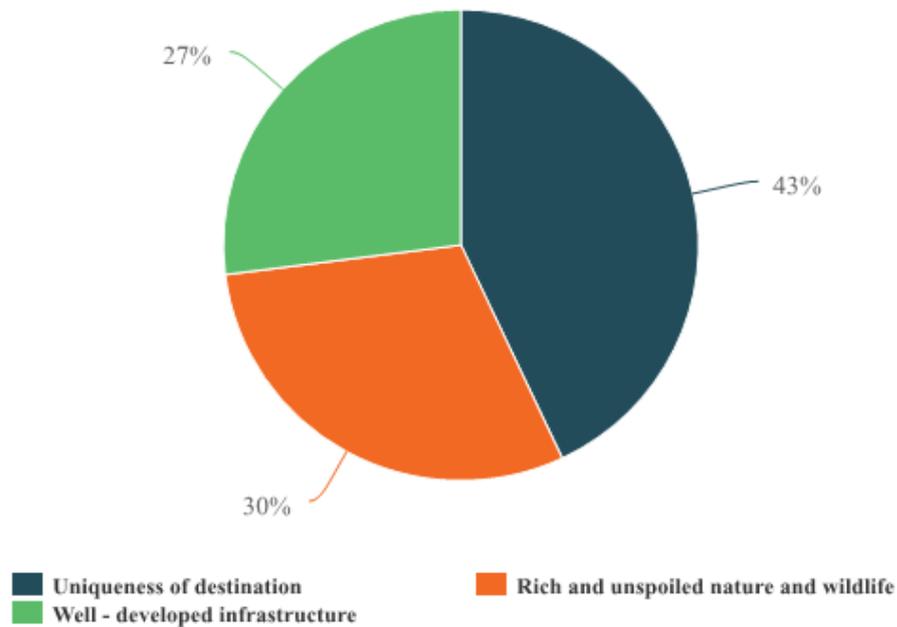
(N = 76)

Figure 16: Luxury customer itinerary activity preferences

Respondents from luxury tour operators shared their expertise regarding the most demanded activities among luxury travellers. In total, all the 37 respondents contributed to the multi selection question, selecting 76 answers in total (Figure 16).

Most of the respondents admitted, that art and history tours are the most popular in the luxury tourism (23 respondents, 62.16%). Outdoor activities and gourmet activities gained 18 respondents answers (48.65%), which makes these activities equally important straight after art and history tours. Spa and wellness activities gained 17 respondents answers (45.95%).

37 respondents also shared their experience regarding area specialisation, underlining how area meets luxury customer interests (Figure 17).



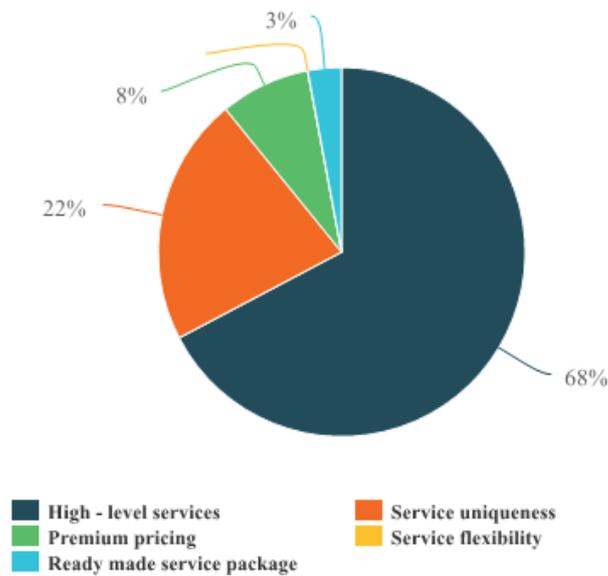
	N	Percent
Uniqueness of destination	16	43.24%
Rich and unspoiled nature and wildlife	11	29.73%
Well - developed infrastructure	10	27.03%

(N = 37)

Figure 17: How area meets luxury customer interest

Biggest group of 16 respondents admitted uniqueness of destination is the most crucial area attraction for luxury customers (43.24%). 11 respondents advertising their area based on rich and unspoiled nature and wildlife (29.73%), 10 of the respondents are utilizing area's well – developed infrastructure as an attraction.

In one of the last questions respondents shared their expertise regarding hospitality and tourism services in the area meeting needs of luxury customers. Total of 37 respondents contributed to the question (Figure 18).



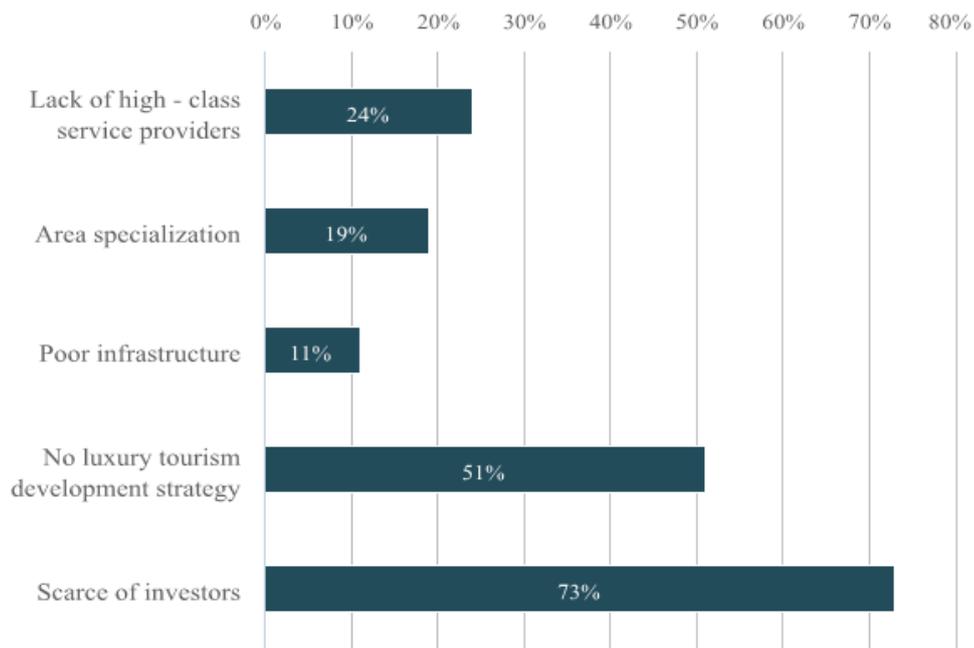
	N	Percent
High - level services	25	67.57%
Service uniqueness	8	21.62%
Premium pricing	3	8.11%
Service flexibility	0	0%
Ready made service package	1	2.7%

(N = 37)

Figure 18: How hospitality and tourism services meets needs of luxury customers

In total 25 respondents out of 37 (65.57%) making luxury customer's experience extraordinary by selecting high-level services. 8 respondents (21.62%) selecting unique services to match luxury customer's expectation. Premium pricing of accommodation and services is an important value for 3 respondents (8.11%). 1 respondent admitted absolute importance of readymade service package (2.7%). Service flexibility became not so important factor for luxury service provider due to fact that none of the respondents chosen the following option.

The last question was dedicated to the most influential challenges, negatively affection on the luxury tourism development in the region. All of 37 respondents took part in the question, multi selection type of the question allowed to select several most crucial factors, gaining 66 selected answers in total (Figure 19).



	N	Percent
Lack of high - class service providers	9	24.32%
Area specialization	7	18.92%
Poor infrastructure	4	10.81%
No luxury tourism development strategy	19	51.35%
Scarce of investors	27	72.97%

(N = 66)

Figure 19: Challenges of the luxury tourism in the area

Biggest group of 27 respondents (72.97%) underlined scarce of investors, ready to invest in luxury tourism projects as the most important challenge in the area. Lack of luxury tourism development strategy was admitted by 19 respondents (51.35%). 9 respondents (24.32%) considering lack of high – class service providers in the area as one of the challenges, 7 (18.92%) respondents counting strict area specialization as a challenge factor, 4 respondents (10.81%) admitted poor infrastructure.

4.2 Summary and Conclusion of the survey results

The results of the questionnaire express worldwide expertise and trends among luxury tour providers. Among equally distributed amount of invitations to the

questionnaire, biggest amount of responses is coming from Europe and North and South America.

Region wise, Europe's most essential luxury travel destinations are located in Italy (Rome, Venice), Spain (Barcelona), France (Paris) and England (London). The rich background, history and heritage of these cities allowing to attract unique art and cultural activities, gourmet events and tastings, which were admitted as essential parts of luxury travel by the respondents. Middle East countries luxury services in tourism are concentrated in UAE, specifically in Dubai. Asian Pacific region highlighted spa and wellness travel destination points in Bali and French Polynesia. North America's well known luxury destinations are located within USA and Canada borders, Caribbean Islands and Mexico are popular luxury wellness luxury vacation destinations for guests all over the world.

Half of the luxury destination management companies operating with old luxury customers are customers with "old money" and sharing conservative values of luxury – elegance and comfort at a great expense. Other half of the luxury DMC's is operating based on "new luxury" values which are accessible premium quality and uniqueness. Excellent service quality together with unique and premium priced services are the most essential values of luxury for luxury DMCs nowadays.

Tailor made experience with high attention to details and extended list of included products and services by default are key values for luxury tourism operations. Premium brand surrounding and background and history of the services is becoming less important.

Luxury in tourism became more accessible, since luxury services and destinations are becoming accessible not only to financial world elite: major target group for luxury DMCs worldwide are medium luxury customers (high salary workers) and mass elite (officials, heirs of capitals). Demanding great value for money, extraordinary experience and more itinerary possibilities, these customer groups fully matching to the offerings, given by new luxury driven DMCs.

Utilizing area's high potential for luxury services, companies-providers successfully meeting luxury guest's expectations by giving them an opportunity

to explore unique destinations, experience rich and unspoiled nature and wildlife. Only lack of investors and luxury tourism development strategy are appearing as challenges for luxury services in tourism worldwide. However, how does this data is corresponding with real life luxury services implementation in condition of Finnish Lapland? Do local companies share the same values and approach for luxury services in tourism? In order to answer these questions author appointed an interview with local luxury service provider, based in Rovaniemi, Finland.

5. LUXURY SERVICES ENDEMIC APPLICATION IN LAPLAND

5.1 Luxury services in Lapland interview

To get a better picture of real life application of luxury services in Lapland and research deeply similarities in local way of implementing luxury services to worldwide expertise retrieved from the quantitative survey, the author of the thesis appointed interview with experience manager of one of the local luxury destination management companies – Lapland Luxury.

Interviewing process was designed specifically to overview obtained quantitative survey's expertise and evaluate current situation of Luxury Services in Lapland together with possibility for implementation of obtained practices. Interview was based on open – interview questions approach, which allowed to get an extended picture and possibility to underline aspects and details of luxury, which were not covered before.

Lapland Luxury is a tour operator and a destination management company (DMC) specialized in exclusive travel services and high-end programs. Company is offering the best of Lapland: pure nature, authentic culture and unique activities especially tailor-made according to guest's wishes.

Interview took place in the beginning of May 2017 with Customer Experience Manager behind Lapland Luxury brand – Ana Vouk. Ana shared her experience and possibility of application of the obtained expertise and data from the quantitative survey:

What does luxury mean to you?

When talking about luxury everybody has their own definition, which stems from their upbringing, education, social standard, goals in life and accessibility. While luxury is a term that has a generic definition, no matter which industry you are in, I think we can agree that luxury is something not in abundance, special, unique and in most cases with a rather premium price. While it is usually a prerequisite, in tourism not all luxury clients are insanely rich – however, for the price they are paying, they do expect excellent service, they expect to indulge themselves and above all, expect to experience something that nobody or rarely somebody has done before in that particular way. Which is how I personally see luxury: indulgence into something unique, customized for me that cannot be picked of a pricelist and is not offered generally, but is worth the money paid.

What are the most essential features of luxury you can underline?

Features of luxury change dramatically from client to client and from industry to industry. One of the main features of luxury travel and I would imagine every industry that works with the luxury customer segment is that you listen to the client and understand what they are expecting. Firstly, premium pricing is always involved, but there is enormous differences between what is accessible luxury from one client to another, even within the rather small sphere of truly high-end clients. Secondly, for our Lapland Luxury team, a client can turn into a months-long project of planning and realizing specific dreams. Therefore, luxury tourism requires excellent quality of service and above all, the possibility to provide service that our clients are looking for. While not conventionally talked about feature of luxury, I would emphasize a highly-trained team as well as a thoroughly picked trusted network of partner/subcontractors are essential in ensuring a high standard quality of service. Thirdly, I would point out the possibility to realize and create wishes, putting our creativity in the fingertips of our clients in order for them to enjoy an once-in-a-lifetime holiday. Uniqueness in this case is too narrow as luxury travels really are journeys beyond the map.

What is luxury in tourism?

Luxury in tourism is a fast-growing business and as the market grows, the standards are raising. In today's day and age, clients are more informed and more inquisitive and more demanding. We cannot forget to mention that Experience tourism has been slowly overtaking tourism in general in the recent years and has more than proven that not only in luxury tourism, but tourism in general, the clients are no longer only looking for services, but they are looking for experiences. Above all, luxury tourism is all about tailor-made experiences as well as customizable experiences. Most clients lead a busy life and while travelling, their wish is to have everything customized to the point to provide exclusive experiences and memories for themselves and even more for those travelling with them. I would say attention to detail and the ability to quickly change everything from small things to full day itineraries is also a fundamental part of luxury travel. There is a small dose of volatility in dealing with the luxury clients.

How much do you involve luxury brands in Luxury Tourism Services?

Creating partnerships is as important as in-house development in luxury tourism. As every company specialized in exclusive travel services know, there are elements of the variety of services provided that are always developed internally, due to ensuring longevity of certain service or exceptionally high standard of a service that is unique to that company. However, the benefit of a partnership with luxury brands is that it brings a certain ambient, legacy or what I like to call renommé. Good reputation and trust is needed for clients to choose a specific company as luxury travel is a highly competitive business. Involving certain brands and products brings forth the image, the face of the company that gives out the desired message and appeals to a customer segment.

Who are luxury customers in Lapland?

As mentioned, luxury travel is a growing market and as all exclusive DMC companies, Lapland Luxury follows its strategy which also defines its target customer segments. Following a strict internal policy, we do not share any

information regarding our clients, although there are players in the luxury travel market that include their clients to their marketing strategy. Quality service and intense dedication has created a good reputation and it motivates our clients to recommend us further. However, we receive a variety of requests and we are happy to handle each one. Our team is well trained to create a great tailor-made package, but also to see that we are not the right company for the client and recommend some of the local companies that provide the service the clients is looking for.

What are the luxury travel values of Lapland?

Our Lapland Luxury taglines are “Extraordinary experiences in unique surroundings” and “Tell us your dreams and we will make them happen”. Our team is world famous for creating best Christmas and Lappish experience and our clients are valuing our creativity and knowledge of Experience economy. We are able to create a different program for the returning clients or surprise with several unique tailor-made possibilities so our clients can choose the right one for them. All of that coupled with highly personalized service as well as our focus on flexibility and customization is something I clients point out that they highly value.

What kind of luxury transportation expertise is applied in Lapland?

We have a selection of vehicles ready to be selected by our client. Our standards when it comes to the hosting team assigned to each guest visit are high and a private chauffeur is always included into the hosting team that is part of the package. Clients are vastly different, some having a particular type of brand of vehicle in mind for their time with us or having particular requirements for the hosting team. We are happy to listen to all client requests and the hosting teams are well trained to be flexible and handle extra requests in accordance with our policies.

What kind of luxury accommodation expertise is applied in Lapland?

Every client likes to have a choice so our team likes to have several possibilities to present to the client. In the past years, accommodation has been a challenge in the highest season in Lapland, but luxury accommodation is developing with the brand-new luxury Arctic TreeHouse Hotel arriving to Rovaniemi in December 2016. Luxury DMCs need to have a variety of accommodation available on request and my experience in this industry is that clients who come to Lapland want to stay at several different types of accommodation while with us – mixing luxury accommodation with the Igloo experience or a night in the Arctic Snow Hotel.

What luxury activities are popular in Lapland?

Our team offers a selection of different possibilities when it comes to tailor-making a program. The preferences can have several factors, such as seasonality, duration of stay, type of travelers, nationality et cetera. Furthermore, a client might be a return visitor, somebody with a selection of preferences in mind, somebody who only wants to visit and is researching the possibilities of Lapland et cetera – our location in Rovaniemi allows for a variety of choices such as pure nature, adrenaline focus, cultural feast, gourmet adventure or Christmas colored activities. Our clients' itineraries also range from those with relaxing days to an intense and diverse action filled agenda.

What does Lapland area do in order to meet luxury customer's interests?

The uniqueness and remoteness of the area attracts high-end clients, who have already travelled to all major touristic destinations around the world and are looking for something new and exciting. The presence of luxury DMCs has attracted attention to the development of luxury tourism in Lapland, although with some challenges. Developing more accommodation has proved beneficial, especially luxury accommodation and the current attractions and in the last years, attractions have recognized the possibility of developing a more exclusive, private, luxury experiences along with their general offer. Quite a few providers have harnessed the uniqueness of the location and developed high quality products to match. Additionally, the Arctic Circle as well as the Northern Lights

are a big pull of luxury clients and there is a noticeable trend of luxury clients choosing their destination based on more nature oriented possibilities.

How are hospitality and tourism services in Lapland meeting luxury customer's interests?

I believe that there is always room to improve and learn. At this point, I would say that us, local providers, have become extremely proficient and famous for some tourism services that we are extremely good at in Lapland – one to point out from our own team is the award-winning Christmas experiences, with Rovaniemi being The Official Hometown of Santa Claus. However, I do believe that we all see a lot of potential in developing hospitality in Lapland and the amount of investments that have been realized and still to be realized show that we are still developing and reaching our potential. Especially for luxury clients, I see potential in differentiation and more vast offerings of even more exclusive experiences, especially presenting the local and authentic activities such as huskies on a completely different level again.

What are the challenges of luxury tourism services in your area?

With luxury travel growing and becoming more present in Lapland in the recent past, there has been research and development of luxury tourism in the area. I would say that we have been quite good in specializing and differentiating some experiences offered specifically in Rovaniemi into something exclusive. In my opinion, the previous lack of luxury accommodation was an issue, that was approached with extensive planning and building of new accommodation in 2016 and will continue this year. Another issue I would point out is a lack of developing additional tailor-made services for high-end clients that not only carry a premium price but also offer a new point of view on the traditional activities e.g. reindeer safari.

5.2 The outcomes of Luxury Services in Lapland

Interview with one of the Luxury Tourism Service provider of Lapland proves existence of recent worldwide trend – understanding of luxury is changing. Lapland has been affected by democratization of luxury as well as the entire world, nowadays luxury services in tourism could be characterized as an extraordinary experience, affordable to the wider customer group. Understanding of luxury has been changed to customer's perception as well: nowadays guests have more options available and to compare, which triggering development of unique and personalized itineraries to satisfy customer's needs.

In order to make luxury tourism services more available local companies intend to develop cooperation with local partners and providers, rather than involve worldwide known luxury brands and products. Lapland has been developing rapidly together with worldwide standards in all the aspects of luxury tourism: involving and developing high quality transportation, accommodation services and compiling unique activity programs.

Lapland area is a unique and remote travel destination, offering completely new luxury products and services for guests, seeking for extraordinary experiences. Facing lack of luxury accommodation facilities in the past, Lapland developed through rapidly in 2015 – 2016 year and will be developing in future. Luxury activities are still remaining in a weaker position, needed to be developed in accordance with luxury traveler's taste and tied together in cooperation with local Luxury Travel DMC's more.

6 CONCLUSIONS

Luxury has a very solid and traditional background – started as a trending value among world class elite in Europe's times of rapid cultural and trade development it has been saving its core values of being unique, top quality at the great cost for a very long time.

Understanding of luxury has been changing rapidly over the past decades. Research proven, that meaning of luxury in tourism as a solid and status-improving product or service at great cost has been changing due to the development of the society, information and financial exchange together with

globalization. Nowadays, luxury services could be defined more as an extraordinary high-quality service at a reasonable price.

As it has been shown by 37 respondents: democratization of luxury performed generation process of new luxury services in tourism worldwide, and most of the businesses are based on several core values: uniqueness and extraordinary experiences with high attention to details.

Lapland has many similarities and in most of the cases it follows up worldwide practices in all the aspects of luxury services in tourism: transportation, premium accommodation and activities for luxury guests. By being a remote and unique travel destination Lapland is becoming one of the top choices for the luxury traveller, seeking for new emotions and good service quality. However, mass market character of tourism activities in Lapland and lack of cooperation between activities providers and DMC's are one of the top challenges in Lapland.

The result of the research allows to admit completely confident future and possibility to apply luxury tourism services in Finnish Lapland. Amount and character of information, containing expertise from all over the world regarding luxury tourism and together with luxury destination management company manager's experience grant to forecast stable demand and confident development of luxury services across Finnish Lapland.

7 DISCUSSION

1. Key contents of the thesis

The thesis work is focused on Luxury Services in Tourism, with specialization to study luxury tourism phenomena and significance of this type of services around the world and from local northern perception.

2. Thesis goals and implementation

In order to study luxury tourism phenomena, the author performed theoretical investigation in the first part of the thesis, revealing definition of luxury through

the world's history, aspects of luxury and luxury services and their development over the past.

To get a deeper understanding, how luxury tourism services are considered worldwide and what are the aspects of luxury tourism are in use, the author of the thesis implemented quantitative research, collecting information regarding luxury services in tourism from companies, who has specialization and leading experience in the field.

To illuminate the similarities and differentiation between global attitude and real life situation of luxury services implementation in Lapland, author included interview with Luxury destination management company's experience manager regarding obtained expertise and its implementation in real life conditions of Finnish Lapland.

3. Discussion of the topic

Luxury has a very rich historical background, traditional values of which have been stable in the past centuries. However, in the modern world of globalization, luxury became more accessible to a wider group of people and changed its core values, becoming more democratic and a triggered development of services sphere. As quantitative research shows, nearly half of the respondents do not consider luxury as extraordinary at a great cost – it has been substituted into premium quality at the affordable price. Lapland is matching the worldwide standards, however together with area's specialty – remote and spacious area, offering a solid range of luxury tourism services. However, it needs to be developed in sense of partnership between the different itinerary part providers and decrease mass-market specialty.

4. Research – ethical consideration

During the research process while implementing quantitative survey, the author faced some research-ethical issues. Due to fact, that thesis will be published in

an open source library theseus.fi, most of the respondents expressed their wish to stay incognito. The main argument for incognito information retrieval contribution to the questionnaire could be used by the competitors of the field. To satisfy that requirement, quantitative research was designed so, that respondents provided general information regarding their area (required information regarding continent of the world, where operations are taking place, additional voluntary question containing country of operation).

5. Evaluation of the thesis project

Once being in process of implementation, the thesis faced some major challenges. One of the first challenge was based on the core thesis problem: scarcity of knowledge regarding luxury services. The term of luxury is broad itself, it has been quite engaging to find completely different definitions of luxury. However, luxury services are completely in opposite appears as a barely researched topic, which made process of theoretical material selection more complicated, demanding and time-consuming. Second challenge has been described above: research ethical issue, which caused second launch of the questionnaire, postponing research results retrieval. Few other challenges could be described as low accessibility of the potential survey respondents contact information, low response rate due to lack of motivation from businesses to contribute in the student research.

However, theoretical material allows to develop reader's understanding of luxury, luxury services and luxury services core aspects and service parts. Quantitative survey results give clear picture regarding worldwide expertise and vision of luxury services from luxury destination management companies in 2017. The interview with the customer experience manager from the luxury service company perform analysis of the quantitative research applied to real-life situation in Lapland, and enhances reader's understanding of the position of luxury services in Lapland. Going beyond challenges, the thesis performs luxury tourism phenomena research and significance of this type of services around the world and real-life situation of aforementioned services in Lapland.

6. Personal learning experience

Author's personal background caused the need of this specific thesis problem development. The author of the thesis has over 2 years of work experience as a luxury services guide. The need of personal development regarding theory of luxury services together with global meaning and real-life results from the survey and the interview: these are core drive forces for the thesis development. The thesis contributes completely to the aim of self-development by improving personal competence in luxury services not only in theory, but with enclosed practical material (quantitative research and interview).

7. Usability of the thesis

The thesis was developed to contribute positively in the service sphere of tourism. By contributing to the problem of scarce of luxury services theoretical material, the thesis is usable for every individual, group, organization, or business, who would like to get more knowledge regarding luxury services in tourism. By illuminating not only local opinion of the topic, but also collecting theory and worldwide experience from companies, the thesis is applicable not only in Lapland.

8. Reliability of the research

The thesis has been utilizing several public accessible sources in order compile theory part of the research – it has been formed by wide selection of printed sources, taken from local libraries and electronic format sources and books, ordered preliminary from online reading platforms. Quantitative research used approved by Lapland University of Applied Sciences webropool tool, guarantying genuine and correct survey information retrieval and based on logical framework and theoretical information regarding data processing, provided by teachers of Lapland University of Applied Sciences over the years of author's study process.

9. Correlation between theory and practice

Starting from the very initiation of the research project it has been designed specifically to serve not only as a theoretical material, but also consist of practical findings. The first part of the thesis work containing theory part, defining luxury

and luxury services. In order to enhance possibility for thesis practical utilization in real life, the author in the second part included quantitative survey, retrieving data from real companies, reflecting current position of luxury services globally. Interview with local company representative is adding practical application value to the research work, exploring deeper local aspects of luxury services.

BIBLIOGRAPHY

Aldrich, N. 1997. *Old Money: The Mythology of Wealth in America*. USA: Allworth Press; 1st edition.

Bastien, V., Kapferer, J.N. 2012. *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands: Second edition*. United Kingdom: Kogan Page Publishing.

Dr. Kaufmann, A. 2015. *Leica's perspective on the definition, history and future of luxury*. Accessed 2.03.2017 <https://www.youtube.com/watch?v=iYytrNYQlog>

Dubois, B., Duquesne, P. 1994. *The Market for Luxury Goods: Income versus Culture*. Accessed 1.03.2017

https://2010-soph-writing-nccu.wikispaces.com/file/view/he_Market+for+luxury+goods-income+versus+culture.pdf

Fiske, N., Silverstein M.J., 2003. *Luxury for the Masses*. USA: Portfolio; Reprint edition 2003.

Fiske, N., Silverstein M.J., 2008. *Trading Up: Why Consumers Want New Luxury Goods--and How Companies Create Them*. USA: Portfolio; Reprint edition 2008.

Fitzsimmons, A. 2012. *6 Luxury Travel Trends To Know Now*.

<https://www.forbes.com/sites/anniefitzsimmons/2012/08/21/6-luxury-travel-trends-to-know-now/#5231c8225359>

Houghton Mifflin Harcourt. 2017. *American Heritage dictionary 2017: The definition of luxury*. Accessed 28.02.2017

<https://ahdictionary.com/word/search.html?q=luxury>

Howarth HTL. 2011. Horwath HTL Report at the International Luxury Travel Market (ILTM). Accessed 3.03.2017.

<http://www.hospitalitynet.org/news/4051855.html>

Lapin matkailustrategia. 2011. Lapland's Tourism Strategy 2011 - 2014. Accessed 12.02.2017

http://www.lappi.fi/lapinliitto/fi/lapin_kehittaminen/strategiat/lapin_matkailustrategia

Lapin matkailustrategia. 2015. Lapland's Tourism Strategy 2015 – 2018. Accessed 21.03.2017

http://www.lappi.fi/lapinliitto/fi/lapin_kehittaminen/strategiat/lapin_matkailustrategia

McNeil, P., Riello, G., 2016. *Luxury: A rich history*: First Edition. United Kingdom: Oxford University Press; 1 edition (August 1, 2016)

Olmsted, L. 2017. 5 Big Luxury Travel Mistakes You Might Be Making.

Accessed 22.03.2017.

<https://www.forbes.com/sites/larryolmsted/2017/03/21/5-big-luxury-travel-mistakes-you-might-be-making/#7a9ff315316e>

Oxford University Press. 2017. *Oxford dictionary 2017: The definition of luxury*.

Accessed 28.02.2017

<https://en.oxforddictionaries.com/definition/luxury>

Rambourg, E. 2014. *The Bling Dynasty: Why the Reign of Chinese Luxury Shoppers Has Only Just Begun*. United Kingdom: Wiley Finance.

Random House. 2001. *Random House Webster's Dictionary: Fourth Edition, Revised and Updated*. United Kingdom: Ballantine Books publishing.

Regional Council of Lapland. 2013. *Lapland tourism development and strategy*. Accessed 22.03.2017

<http://matkailu.luc.fi/loader.aspx?id=1aacbbe8-cb33-46e0-a892-cece0b24a9b6>

Roberts, M. J. D. 1998. The concept of luxury in British political economy: Adam Smith to Alfred Marshall. Accessed 29.03.2017

<http://journals.sagepub.com/doi/abs/10.1177/095269519801100102>

Tungate, M. 2009. The phenomena of luxury. Accessed 29.03.2017

https://books.google.fi/books/about/Luxury_World.html?id=Vo0CeOC0Z-IC&redir_esc=y)

United Nations Tourism World Organization. 2016. UNWTO Tourism Highlights. Accessed 21.01.2017.

<http://mkt.unwto.org/publication/unwto-tourism-highlights-2016-edition>

Visit Finland, Finpro. 2017. Tourism in finland – key facts and figures. Accessed 26.03.2017

<http://www.visitfinland.fi/en/tourism-in-finland/>

World Travel & Tourism Council. 2017. Big Data - The Impact on Travel & Tourism. Accessed: 21.01.2017.

<https://www.wttc.org/research/other-research/big-data-the-impact-on-travel-tourism/>

Willett, M. 2015. Business Insider: Luxury hierarchy. Accessed 2.03.2017

<http://www.businessinsider.com/pyramid-of-luxury-brands-2015-3?r=US&IR=T&IR=T>

APPENDICES

Appendix 1. Quantitative Survey: Global Expertise in Luxury Tourism Services

Appendix 2. Luxury Services in Lapland Interview

Appendix 1. Quantitative Survey: Global Expertise in Luxury Tourism Services

Global Expertise in Luxury Tourism Services

This questionnaire is totally anonymous. Your name or identity will not show anywhere in this Thesis.

1. What is your region? *

Europe

Middle East / Africa

Asia Pacific

North and South America

2. What is the main luxury destination in your region?

Europe

Middle East / Africa

Asian Pacific

North and South America

3. What is Luxury to you?

Luxury - state of great comfort, elegance involving great expense

Luxury - desirable, but hardly accessible uniqueness.

Luxury - accessible premium service quality.

4. What are the most important features of Luxury? (1 - not important, 4 - extremely important)

Standard Quality	1	2	3	4	Excellent Quality
Affordable Pricing	1	2	3	4	Premium Pricing
Popular and Mainstream Services	1	2	3	4	Scarcity and Uniqueness
Does not involve aesthetics	1	2	3	4	Aesthetics and Sensory Stimulation
Brand new	1	2	3	4	Heritage and Long History

Unavoidable	1	2	3	4	Non - essential

5. What is luxury in tourism?

- Tailor - made experience
- Premium brand surrounding
- Attention to details
- Services heritage and legacy
- All inclusive itinerary

6. Do you involve luxury brands and products in your activity?

- Yes, we involve luxury brands and products completely
- Yes, we involve luxury brands and products partly
- No, we do not involve luxury brands and products completely

7. Who are your luxury customers?

- Uber wealthy: Financial world elite
- Mass elite: Major businessmen, officials, heirs of capital, stocks & shares entrepreneurs
- Medium Luxury: High salary workers

8. What are the values, your luxury customers are looking forward to?

- Great value for money
- Status
- Extraordinary experiences
- Premium brands
- Extended itinerary possibilities: flexibility, customization

9. What are your Luxury customer's transportation preferences?

- Private chauffeur
- Exclusive machinery brands
- 24h availability
- Flexibility

Extra services included

10. What are your luxury customer's accommodation preferences?

- Classic Luxury Hotels
- Boutique and Designer Hotels
- Spa Resorts
- Self-Catering Villas

11. What are your luxury customer's activity preferences?

- Tours - art and history tours
- Outdoor activities - skiing, adventure, wildlife activities
- Spa and wellness activities
- Gourmet activities: wine production and restaurant visits, tasting and cooking schools

12. How do you think your area meets interests of luxury customers?

- Uniqueness of destination
- Rich and unspoiled nature and wildlife
- Well - developed infrastructure

13. How do you think hospitality and tourism services in your area are meeting needs of luxury customers?

- High - level services
- Service uniqueness
- Premium pricing
- Service flexibility
- Ready made service package

14. What are the challenges of luxury tourism in your area?

- Lack of high - class service providers
- Area specialization
- Poor infrastructure
- No luxury tourism development strategy
- Scarce of investors

Appendix 2. Luxury Services in Lapland Interview

Luxury Services in Lapland Interview Questions

1. What luxury means to you?
2. What are the most essential features of luxury you can underline?
3. What is luxury in tourism?
4. How much do you involve luxury brands in Luxury Tourism Services?
5. Who are luxury customers in Lapland?
6. What are the luxury travel values of Lapland?
7. What kind of luxury transportation expertise is applied in Lapland?
8. What kind of luxury accommodation expertise is applied in Lapland?
9. What luxury activities are popular in Lapland?
10. What Lapland area does in order to meet luxury customer's interests?
11. How are hospitality and tourism services in Lapland meeting luxury customer's interests?
12. What are the challenges of luxury tourism services in your area?