

HUOM! Tämä on alkuperäisen artikkelin rinnakkaistallenne. Rinnakkaistallenne saattaa erota alkuperäisestä sivutuksestaan ja painoasultaan.

PLEASE NOTE! This is an electronic self-archived version of the original article. This reprint may differ from the original in pagination and typographic detail.

Käytä viittauksessa alkuperäistä lähdettä/ Please cite the original version:

Iloranta, R., 2022. Service provider's perspective on luxury tourism experiences in Finland—unconventional luxury tourism experience products. *Matkailututkimus*, 18(1), pp.70-75.
<https://doi.org/10.33351/mt.120913>



© 2022 Riina Iloranta. Licensed under the terms and conditions of the Creative Commons Attribution (CC BY-ND 4.0) license (<https://creativecommons.org/licenses/by-nd/4.0/deed.en>).



Service Provider's Perspective on Luxury Tourism Experiences in Finland – Unconventional Luxury Tourism Experience Products

Riina Iloranta, Haaga-Helia University of Applied Sciences

The following piece is based on the lectio praecursoria presented at the defense of the doctoral dissertation “The Challenge of Luxury Experience – Service Provider’s Perspective” which was publicly defended on December 3, 2021, at Joensuu, University of Eastern Finland. The full version of the dissertation can be found at <https://erepo.uef.fi/handle/123456789/26447>

The development of the modern luxury market is driven by experiences, and the luxury market is vital to the tourism and travel industry. Although this market serves a small portion of the world’s tourists, it is a major revenue generator for the tourism industry as the money spent by these tourists accounts for 22% of all international travel expenditures, and luxury tourists spend more money per day than regular tourists (By Luxus+, 2022).

During the years preceding my dissertation research, I worked in the tourism industry, traveling around the world. How luxury was present in Dubai or New York with luxury brands and five-star hotels was very apparent, but I did not observe the same phenomenon in Finland. For example, if you Google the terms “luxury tourism” or “luxury vacation,” you will see images of sunny beaches, palm trees, clear turquoise water, white sand, and resorts with infinity pools. Following that, there are images of private jets and yachts. While viewing these images, the impression of luxury tourism is somewhat one-sided. There is not a single image in Google’s image stream that depicts snow or winter experiences or nearly anything that could link Finland, dark Finnish winter weather, and luxury. What is a contemporary luxury, luxury tourism, and why has Finland in recent years gained the attention of influencers and celebrities such as the Beckhams, the Kardashians, Lionel Messi and his family, and many others as a luxury tourist destination? This prompted me to investigate the luxury phenomenon from a broader perspective, focusing on subtle and unconventional forms of luxury. The purpose of the thesis was to increase understanding of how the luxury tourism experience is facilitated by service provider’s actions in the context of unconventional luxury. Meaning what kind of experiences Finnish luxury tourism service

providers facilitate and how they facilitate them. In addition, what are the challenges of a non-typical luxury tourism destination?

The evolving concepts of luxury, the luxury market, and the luxury consumer

Luxury used to be reserved for the wealthy and affluent; it was distant, exclusive, and associated with social standing. This traditional conception of luxury emphasizes conspicuous consumption, which means that luxury is viewed as elitist, exclusive, symbolic, prestigious, expensive, and strongly associated with branded products and their attributes. Traditional or “old” luxury presupposes that brand managers define and develop luxury brands to be appealing to consumers and to reflect these attributes of objectification (Thomsen et al., 2020). According to the Google images, this type of luxury is manifested through the resort’s material facilities and services. It permeates marble, chandeliers, white table linens, and silverware.

In the modern world, however, luxury is not limited to gold, glitter, champagne, caviar, and sports cars. This indicates that the images displayed on Google do not necessarily represent luxury to all of us. Rather, there is now “new luxury,” which is an emotional and hedonistic perspective on luxury, in which luxury is defined by the subjectivity of the consumer’s desires, emotions, feelings, and pleasure (Hennigs et al., 2012). According to this viewpoint, luxury is increasingly associated with experiences, services, and presenting opportunities, particularly in the luxury services and tourism industries. This shift in luxury consumption toward experiences can be interpreted as inconspicuous consumption, which also suggests that luxury now serves self-interests over status (Hemetsberger et al., 2012). The recent discussion identifies the new form of luxury as an unconventional form of luxury that focuses on the consumers’ private understanding of luxury and how luxury is experienced, i.e. what private meanings are attached to the luxury experience (Thomsen et al., 2020). In this view, luxury is a consumer’s subjective interpretation of something significant, as opposed to the offering’s inherent qualities. Instead of presenting specific characteristics, luxury is perceived by consumers as fleeting, ephemeral, immaterial, and fluid, manifesting itself in moments (von Wallpach et al., 2020). In other words, an unconventional understanding of luxury focuses more on the consumer than on the product and is more interested in what luxury does for the consumer than in what luxury is.

As the modern luxury industry caters to a greater variety of consumer segments, consumers acquire luxury products and services for both conspicuous and inconspicuous reasons. Luxury is frequently approached from two distinct vantage points: attributes of luxury in which luxury is defined by product-related characteristics, and consumer meaning-making, in which luxury is viewed as something beyond product quality (Wirtz et al., 2020). The definition of luxury is not limited to a product or a luxurious setting; it can also be derived from a lived experience or activity (Kauppinen-Räsänen et al., 2019). Customer perception and interpretation of experiences, processes, and tangible cues determine luxury. Additionally, the socioeconomic status of the customer influences the definition of luxury, and customer segments are affected by their preferences and needs. For instance, ul-

tra-wealthy consumers are likely to have a different conception of a luxury than consumers with a lower income. Furthermore, the individual's situational needs influence perception; for instance, are we seeking relaxation and rejuvenation from the service or excitement and stimulation?

The concept of the moment can be used to illustrate how luxuriousness fluctuates in the consumer's life and is embedded in pleasures that provide a momentary escape from the mundane (von Wallpach et al., 2020). The escapism transforms the moments into meaningful, one-of-a-kind experiences that simultaneously re-energize individuals. Moreover, despite the fact that consumers may associate luxury with material features and images, such as a vacation destination, luxuriousness occurs "when they feel free, alive, and reconnected to nature and humanity" (von Wallpach et al., 2020, 499). In addition to being private, this makes luxury moments less materialistic and less brand-related. Moreover, luxury is associated with fundamental aspects of human existence (von Wallpach et al., 2020).

Luxury moments share characteristics not only with meaningful and extraordinary experiences but also with peak experiences, happiness, and well-being (von Wallpach et al., 2020). Therefore, it is not the product or service that provides value but rather the experience or act of experiencing it. Consequently, more intrinsic value elements and intangible desires remain, leading to meaningfulness as the ultimate objective (von Wallpach et al., 2020). These two perspectives on luxury, which focus on the object characteristics and attributes that can be considered a luxury and what luxury means to the individual, should be combined in luxury services research in order to obtain a comprehensive understanding of experienced luxury services (Wirtz et al., 2020).

The current academic literature on luxury tourism reflects the traditional definition of luxury, in which the tourism experience is based on physical characteristics and attributes that emphasize a branded product in a luxury service setting. Therefore, the contemporary image of luxury tourism is brand-focused and product-oriented, which is the same image that Google provides. In this discussion, a luxury service producer or provider is frequently viewed as a large Western brand, such as five- or four-star hotels, Michelin-starred or full-service restaurants, cruise ships, airlines, etc. Some scholars (e.g. Atwal & Williams, 2009) recognize the experiential aspects of luxury service consumption. However, it is still approached from a brand management standpoint, where luxury service is viewed as a complement to a product and not as a service in and of itself that could provide customer value. However, as previously stated from the consumer's perspective, the product's material components no longer define luxury; for the consumer, perceived value and experience may define luxury.

Understanding customer value, with a particular emphasis on how a customer perceives value, is crucial for service providers, as it is believed that the desire for luxury consumption stems from the perceived value. However, it is acknowledged that the value structure of how a consumer perceives luxury is multidimensional and composed of several underlying dimensions (Tynan et al., 2010; Wiedmann et al., 2009). In addition, the emphasis on value

dimensions has shifted over time; whereas earlier studies emphasized symbolic value as the basis for perceived luxury value, the most recent literature on luxury demonstrates the shift from functional and symbolic value to emotional value (Kauppinen-Räsänen et al., 2019). The majority of studies on perceived luxury value in luxury service and tourism contexts have been conducted in commercial settings, such as cruise ships, shopping malls, and restaurants, and have focused on consumption and brands.

Study context - Finland as a luxury tourism destination

Luxury views vary from country to country (Hennigs et al., 2012). Traditional images of luxury are not part of everyday life for Nordic consumers; rather, they define luxury from an experiential and hedonistic perspective (Turunen, 2015). As Finnish culture does not promote luxury; hence there is a mismatch between the cultural heritage and the traditional concept of luxury. Reflecting on this background, the purpose of the study was to increase understanding of how the luxury tourism experience is facilitated by service provider's actions in the context of unconventional luxury. The dissertation was comprised of three studies that led sequentially to the research objective. The first study investigates the notion of luxury tourism using a strategy that includes a comprehensive literature review, content analysis, and a synthesis of the theoretical views of luxury tourism research. The findings indicated that luxury tourism should not be defined via one attribute. Furthermore, the academic discussion is still giving a one-sided image of luxury tourism as the current state of the research is conducted in a context representing traditional luxury, product perspective, and using quantitative methods.

The second and third studies included narrative semi-structured interviews with eleven Finnish luxury service providers operating in Finland's luxury tourist and hospitality industry. Four interviews were conducted in the metropolitan area of southern Finland, and five were conducted in Lapland. Two of the businesses operated in other regions. The interviewees were the company's proprietors, founders, or held managerial positions. The data were analyzed with qualitative content analysis. The second study's findings broadened the definition of new or unconventional luxury and gave details of the service features behind the provision of luxury tourism services. The service provider's understanding of luxury is based on the customer's expectations, the service provider's own experience of luxury and what luxury should feel like, and what the context offers. The most valuable finding pertained to the different levels of luxury service provision, especially the aspect of privacy, which highlights the luxury tourism services as a continuum from the luxury services aimed at the masses to the ultimate luxury, where the experience is private. The third study found that the Finnish luxury tourist experience responds to modern luxury travelers' need for unique, authentic, physically and intellectually challenging experiences that give novelty and purpose to their lives. The product is a combination of non-commercial contexts, i.e., nature, and commercial product features, i.e., luxury villas. Together these may provide the prerequisites for experiencing the more common value dimensions attached to luxury and possibly the more intrinsic value aspects. Finnish luxury tourism

service providers make customers feel special by recognizing their diverse luxury value expectations. The customer's role is more active than in prior luxury research. Earlier studies often allude to reactive ideals like service excellence, suggesting the consumer is passive and served by staff.

Service provider and unconventional luxury tourism experience

This thesis illustrates the service provider's views of the heterogeneity of contemporary luxury consumers and shifting luxury perceptions and value expectations, especially in relation to socioeconomic background and lifestyle characteristics. In unconventional contexts, from the service provider's perspective, it is necessary to interpret what type of luxury value the consumer is seeking, as it varies among consumers and corresponds to the customer's individual needs and motivations; these are also situationally contingent expectations on the luxury service experience, and depend on what the customer is seeking. Service providers can boost clients' feeling of uniqueness by understanding the luxury and purpose they desire from experience.

The feeling of something being luxurious is a combination of things, from objectification to subjective luxury perception, which is situational, giving a feeling of specialness. The physical environment alone does not give a luxury experience in an unconventional context; rather, it is related to moments that increase the consumer's well-being and quality of life. In a Finnish context, the feeling of luxury stems from time for self, others, and nature, which gives moments that possibly create prerequisites for hedonic escapism, offering same time well-being and authenticity.

Meaning is a key component of unconventional luxury tourism, which demands more co-creation between the service provider and consumer than traditional luxury experiences. Luxury tourism experiences in an unconventional context emphasize meaningfulness, alluding to happiness and individually meaningful encounters. The service provider offers hedonic and eudaimonic experiences, bringing luxury tourism in an unconventional environment closer to transformative travel by knowing what is meaningful to the consumer and immersing the client in co-creation at every step of the customer journey.

Unconventional luxury tourist experiences engage consumers' intrinsic value more than traditional ones, which means that the perceived value is based on customer's own emotional desires and hedonic values that respond to self-actualization rather than perceived value in the form of status by showing others. As service providers strive to create prerequisites for experiences that respond to intrinsic luxury value dimensions in unconventional contexts, it may be more difficult than in traditional luxury contexts. In traditional contexts, the brand and physical environment often seek to support luxury value with tangible yet transient notions. In an unconventional context, from the service provider's perspective, in addition to material clues providing a foundation for the objectification of luxury, they also consider relativity, context, and subjectivity perception of luxury in the unconventional luxury tourism context and give the customer a more active role in co-creation.

To create the conditions for a customer to gain value from an experience, all company personnel must understand the product being offered by luxury tourism experience in their company; they must understand what luxury is and how it should feel and design it continuously in relation to the context and customer's expectations. This is done by constantly obtaining client feedback and adapting the product throughout the service experience. From a service provider's perspective, establishing luxury experience conditions in an unconventional context involves ongoing interpretation of the client's luxury expectation and value development through customer insights. Therefore, finding the right personnel with the necessary mindset, talents, and context knowledge to flexibly design the experience based on luxury experiential qualities and active consumer co-creation is the key to creating prerequisites for successful unconventional luxury tourism experiences.

References

- Atwal, G., & Williams, A. (2009). Luxury brand marketing - The experience is everything! *Journal of Brand Management*, 16(5-6), 338-346. <https://doi.org/10.1057/BM.2008.48>
- By Luxus+. (2022, May 17). Luxury tourism: Strong tourism momentum in Europe, benefiting the luxury sector - Luxus Plus. <https://Luxus-plus.Com/En/Luxury-Tourism-Strong-Tourism-Momentum-in-Europe-Benefiting-the-Luxury-Sector/>.
- Hemetsberger, A., von Wallpach, S., & Bauer, M. (2012). Because I'm Worth It - Luxury and the Construction of Consumers' Selves. *Advances in Consumer Research*, 40, 483-489.
- Hennigs, N., Wiedmann, K. P., Klarmann, C., Strehlau, S., Godey, B., Pederzoli, D., Neulinger, A., Dave, K., Aiello, G., Donvito, R., Taro, K., Táborecká-Petrovičová, J., Santos, C. R., Jung, J., & Oh, H. (2012). What is the Value of Luxury? A Cross-Cultural Consumer Perspective. *Psychology and Marketing*, 29(12), 1018-1034. <https://doi.org/10.1002/MAR.20583>
- Kauppinen-Räsänen, H., Gummerus, J., von Koskull, C., & Cristini, H. (2019). The new wave of luxury: the meaning and value of luxury to the contemporary consumer. *Qualitative Market Research*, 22(3), 229-249. <https://doi.org/10.1108/QMR-03-2016-0025/FULL/PDF>
- Thomsen, T. U., Holmqvist, J., von Wallpach, S., Hemetsberger, A., & Belk, R. W. (2020). Conceptualizing unconventional luxury. In *Journal of Business Research* (Vol. 116, pp. 441-445). Elsevier Inc. <https://doi.org/10.1016/j.jbusres.2020.01.058>
- Turunen, L. L. M. (2015). *Consumers' Experiences of Luxury-Interpreting the Luxuriousness of a Brand*. University of Vaasa.
- Tynan, C., McKechnie, S., & Chhuon, C. (2010). Co-creating value for luxury brands. *Journal of Business Research*, 63(11), 1156-1163. <https://doi.org/10.1016/j.jbusres.2009.10.012>
- von Wallpach, S., Hemetsberger, A., Thomsen, T. U., & Belk, R. W. (2020). Moments of luxury - A qualitative account of the experiential essence of luxury. *Journal of Business Research*, 116, 491-502. <https://doi.org/10.1016/j.JBUSRES.2019.10.060>
- Wiedmann, K. P., Hennigs, N., & Siebels, A. (2009). Value-based segmentation of luxury consumption behavior. *Psychology and Marketing*, 26(7), 625-651. <https://doi.org/10.1002/MAR.20292>
- Wirtz, J., Holmqvist, J., & Fritze, M. P. (2020). Luxury services. *Journal of Service Management*, 31(4), 665-691. <https://doi.org/10.1108/JOSM-11-2019-0342/FULL/PDF>