THE CUTTING EDGE BETWEEN THE MASS AND LUXURY TOURISM

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Abstract

Observing the tendencies of the international tourist market through the last few years shows some changes in the behavior of the real and potential tourists. These changes are significant and reflect on all participants of the process of forming and realizing the tourist product – the suppliers of the tourist package, its manufacturers and distributors. In this new situation, new, higher requirements are brought up to the indicators for steadiness, diversity and quality, ensured from the tourism industry. The initiated surveys on the international tourist market show that despite the worldwide recession, there is one area of the tourism market that is rapidly expanding. That is the upscale or luxury market.

Interesting, however, is that despite the importance of the luxury market, there is no one definition. There is also a lack of one common definition for luxury travel. Noting this fact, the current report focuses on the attitudes of the younger generation, their relation to luxury in general and in particular to luxury travel and tourism.

Key words: luxury trends, tourism, travel

Introduction

Tourism is one of the fastest running industries in the global economy fostering economic development worldwide. Between 1990 and 2000 international tourist arrivals globally increased by 51 %. But the last few years ware difficult and challenging. International tourist arrivals grew by 4% between January and August 2012 compared to the same period of 2011 according to the UNWTO World Tourism Barometer. The resilience of international tourism in a continuing uncertain economy is further confirmed by the positive data on tourism earnings and expenditure. The one billion international tourists had traveled the world by the end of the year (http://www2.unwto.org/en/press-

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release/2012-11-05/international-tourism-strong-despite-uncertain-economy). And, for the moment after 2012, the tourism market appears to be on the up again. There is optimism that 2013 will be better than 2012, albeit recovery will probably be very gradual (The Fáilte Ireland Tourism Barometer http://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/3_Research_Insights/3_General_SurveysReports/REPORT_Failte_Ireland_Barometer_Dec_2012-1.pdf). A survey, conducted by the Fáilte Ireland Tourism Barometer of tourism businesses at the end of 2012 showed that every sector expects 2013 to be much better than 2012. The analysts found that there is quite a strong sentiment in the industry that the tourism market had now 'bottomed out' and will pick up next year. Of overall respondents, about two in five (41%) expect increased visitor numbers in 2013, and a similar proportion (39%) expect the same level. 2013 is the year of 'The Gathering' and about half (48%) of operators state this as a positive factor likely to affect their business (quoted source, p. 3).

During the last year the international arrivals in Europe consolidated its record growth of 2011 despite on-going economic volatility in the Eurozone. Results were above average in Central and Eastern Europe (+9%), in line with the average in Western Europe (+3%), yet comparatively weaker in Southern and Mediterranean Europe (+1%) – one of the best performing European sub-regions in 2011 – as well as in Northern Europe (+0.2). Among the 10 largest international tourism earners, receipts grew significantly during the first six to nine months of 2012 in Hong Kong (China) (+17%), USA (+8%), Germany (+7%), France (+5%) and the UK (+4%). A number of other major destinations reported double-digit growth in receipts, such as Japan (+48%), Sweden (+26%), South Africa (+26%), Republic of Korea (+26%), India (+23%), Poland (+19%), Thailand (+17%), Russian Federation (+16%), Egypt (+13%), Czech Republic (+13%), Taiwan (pr. of China) (+11), Singapore (+10%) and Croatia (+10%) (http://www2.unwto.org/en/press-release/2012-11-05/international-tourism-strong-despite-uncertain-economy).

Even when the development of international arrivals shows that Europe as a tourist destination gained stability, it cannot be ignored that the growth rates of international tourist arrivals within Europe vary remarkably. Nevertheless, Europe is a very stable tourist destination compared to other large regions in the world. The enlargement process contributed to this by inducing international arrivals not only in the new Member States, but also between old and new Member States. The still existing gaps in income showed its rapid growth in the new Member States - and the differences in travel habits open a tremendous number of business opportunities and offer incentives to improve competitiveness. And among those revealed opportunities stands the potential of luxury and tourism consumption associated with it.

Observing the tendencies in tourism through the last few years shows some changes in the behavior of the real and potential tourists. These changes are significant and reflect on all participants of the process of forming and realizing the tourist product – the suppliers of the tourist package, its manufacturers and distributors. In this new situation, new, higher requirements are brought up to the indicators for steadiness, diversity and quality, ensured from the tourism industry. The initiated surveys on the international tourist market show that despite the worldwide recession, there is one area of the tourism market that is rapidly expanding. That is the upscale or luxury market.

Interesting, however, is that despite the importance of the luxury market, there is no one definition. There is also a lack of one common definition for luxury travel.

Research methods and materials

Methodological aspects of this study are related to the removal of specific projections of luxury over the tourism and travel industry in an effort to disclose the specifics of the influences and effects. The report draws affordable within the existing opportunities, approaches and methods. Implemented are the process analytical, intuitive and systematic approach and the methods of survey and observation. The presented approaches and methods are subject to certain methodology of the study. It provides rules and regulations on the structure and logical organization of methods and approaches aimed at discovering the essence of luxury in tourism.

Luxe, luxury or de luxe is explained by Oxford Advanced Learner's Dictionary as definition of a higher quality and more expensive than usual **(**http://oald8. oxfordlearnersdictionaries.com/dictionary/de-luxe**)**. Luxe is another word for luxury. It may also refer to something being sumptuous or elegant for example 'a luxe car' (http://www.ask.com/question/what-is-the-definition-of-luxe). And because individual perceptions of luxury in general, and in particular of luxury tourism vary greatly, it would be interesting to bring concrete posts.

The virtual environment provides new opportunities for exposure opinions and attitudes of the people and therefore it is not surprising that there are blogs for luxury tourism, allowing users to exchange ideas. For example, the 'luxury travel blog' (Johnson, P., 2013) is a good illustration of this diversity. On its page have come together many posts such as:

"Luxury travel today is defined less by thread count and Michelin stars and more by access to the people, places and experiences that represent all that is authentic about a destination. There's no denying that comfort factors still apply and high standards of accommodation and dining will always feature on the luxury traveler's wish list. However, today's luxury traveler seeks more depth of understanding and immersion into local culture than ever before. People don't just want to see – they want to participate. The sales process is also critical and whilst the online proposition can be an asset in terms of booking more simple arrangements, clients looking for luxury experiential travel require a deep level of sophisticated knowledge and confidence during the sales process." – George Morgan-Grenville, Chief Executive Officer, Red Savannah**.**

According to Andrew Carr, Managing Director*,* Kennedy & Carr Ireland Travel "Luxury travel is a privilege truly experienced by few. To our private & custom tour clients it means having the right balance of local insight, independence and flexibility. They decide overnight locations in advance and choose daily from a menu of recommended sights, cultural experiences and personal leisure time. Many appreciate the luxury of "insider" access to castles, farms, fishing vessels, kitchens and artisan studios – incredible places that help them get under the skin of Irish society in a way that is personally meaningful. It is impossible to put a price on the stories they can tell of sampling fine whiskeys with eminent Dublin spirit traders or their child's impromptu lesson in Gaelic from the old shepherd they met on a country lane!"

The opinion of Steve Allen, Managing Director, WEXAS Tailor-made Travel also requires attention "Luxury is a much overused term. One traveler's luxury is another's ordinary. For WEXAS our focus is on delivering a seamless and personal service helping our clients to plan and then enjoy authentic, quality experiences that will be long remembered. The mode of travel and type of accommodation used can vary from a 5-star hotel or a boutique property to a unique building or an eco-style lodge but the common theme is that the experience is a special one. True luxury is a great travel experience, enjoyed in relative comfort.

The last few years attitudes towards luxury and luxury goods in general permanently changed. The tourism industry has also changed its attitude and this led to offering highly individualized, enriching, distinctive and unique tourism products for urban nomads, able to afford them.

Approaching the year 2012, it should be noted that this was the third year in a row of double-digit growth for personal luxury goods, with over the 200€B ceiling. And despite 2013 threats like higher taxes in France and the United States, slowing demand in China and Europe, counterfeiting, store overex-pansion, product overexposure and over-reliance on Flash, luxury businesses can hardly be affected (fig.1).

Figure 1.Expected growth by regions for the year 2013

Source: Worldwide Luxury Market Monitor

The effective product differentiation, continued high-quality standards, careful distribution, holding the price line, tighter cuddling of the customer and smart marketing will ensure that luxury has another bumper year ahead (Luxury Marketing Outlook 2013). Experts state that through four years of global turmoil, the luxury customer has proved resilient and loyal. What kept this demographic spending was the level of expectation sought and met. And they also predict that the mantra of 2013 has to be similar – to treat the customer like family and, in return, to receive almost unconditional love.

However, the tendency of increasing use of social media even trough luxury market share is of particular interest. Facebook, Twitter, Pinterest, YouTube and Instagram assure the connection between tourism business and customers and prospects. Dialogue is in. Their PC and mobile Web sites will get a drastic makeover, and applications across Apple and Google platforms will proliferate. Use of digital tools, including video, to showcase the brand story will increase, much of it designed to drive traffic in-store – more often than not, the main purpose of such sophisticated marketing and content.

Data show significant differences between old and young customers appear (Fig. 2).

Figure 2. Key macro trends, influencing customers

Source: Worldwide Luxury Market Monitor

According to WLMM, in connection with luxury and luxury consumption the European growth is undermined by the slowdown of tourist flows. For the moment, tourist flows slowing down, especially from Japan. While simultaneously, local consumption has not recovered yet, especially in Mediterranean countries. Of course, in time the processes evolve and set new perspectives. Thus marked engines of luxury for 2013 are with different for the various regions power and their future expectations point to new milestones. For example, Intra-European tourism from Russia will expand its scale. Tourist flows to typical luxury destinations (Europe, US) and to emerging "eldorados" such as Dubai, South-East Asia or Australia will continue to develop on the background of changing consumption habits, more savvy shopping and new rising destinations (Worldwide Luxury Markets Monitor, Spring 2013).

Results

In an attempt to clarify the purpose of the study a survey was conducted among representatives of younger generation, in order to establish and explain their relation to luxury in general and in particular to luxury travel and tourism.

The survey involved 70 Bulgarian and 80 Japanese students who gave their answers to identical questions about luxury tourism. The group of subjects consisted of twelve questions and each of them has four possible answers: "Yes", "Maybe", "No" and "I don't know" (table 1)

Table 1.Students' questionnaire form

From the analysis of the received information, it is clear that there are significant differences in the way of thinking, expressing a personal opinion and understanding of a new and contemporary trend in tourism, namely luxury tourism. The difference between these two separate nations in terms of geographical, cultural, religious and even philosophical principles define the essential differences in determining the information obtained from questions. Actual distribution of responses for each of the questions, according to the nationality of the young respondents is submitted in Figure 3 and 4.

From the analysis of the information obtained stand some basic relations leading the selection of responses given from these two groups of students, as well as the basic trend in the selection of individual answers of those questions and the predominance of a particular group of them.

Figure 3. Answers of Japanese students

Figure 4. Answers of Bulgarian students

Brief Discussion

The survey data showed that for Japanese students most of the answers are related to the choice of the response "maybe", which is predetermined by the mentality, culture and the way of thinking of these students. Uncertainty in a given situation and determine their response, since this type of human culture to give a definitive answer to a question and the main reason is the fact, that the individual must be completely sure of it.

Regarding the Bulgarian students its can be noticed a clear and straight position on the responses to this individual questions. As can be seen they are observed predominantly in the two basic ways of thinking from complete agreement and complete disagreement with the particular question.

And here may be concluded that the culture of a nation defined determines of the individual answers of Bulgarian and Japanese students. The second place is taken from depending of the knowledge for Luxury tourism which basically is the specified topic pasted in this study.

Detailed analysis on each issue allows making comparison between the two studied groups.

Question 1: Bulgarian students clearly marked "YES" as a basically answer, while Japanese students answer "YES" and "NO" in approximately equal value, demonstrating the larger interest of the Bulgarian students and conflicting desires and interests of Japanese students;

Question 2: Regarding the second question, there is identical between the responses of the two groups of students, as the predominant answer is YES, followed by MAYBE;

Question 3: Answer YES and NO are the same as value parameters in both groups, but for Japanese students the leading answer is MAYBE;

Question 4: Bulgarian students observed a strong YES, while the Japanese strong MAYBE;

Question 5: In the case of Bulgarian students we can see a separation of answers between YES and NO as value parameters, while the Japanese students separate the answers between YES and MAYBE;

Question 6: In this question is clearly distinct YES on Bulgarian students and MAYBE pronounced in Japanese students;

Question 7: Bulgarian students the leading answers are YES and MAYBE, while Japanese students has a equal values about answers YES and NO and clearly leading figure of the answer MAYBE;

Question 8: In both groups a clear leading answer is NO, followed by MAYBE;

Question 9: Bulgarian students give the answers NO and MAYBE in approximately equal amounts, while Japanese students give the clear answer MAYBE, while the other three responses are approximately the same values;

Question 10: At this question we can see a clear answer YES from Bulgarian students, while the leading answer from Japanese students is MAYBE;

Question 11: In both groups, a main answer is YES, but in Japanese group the following answer is MAYBE

Question 12: Bulgarian students give answers YES and MAYBE in approximately equal quantities, while leading Japanese response is MAYBE.

Conclusion

Studies relating to trends in the luxury tourism show a high degree of similarity with the luxury industry (The Future of Luxury Travel). Tourism and travel industry is influenced by such trends as uniqueness, brand imagery and high price levels and there is a clear distinction between ultra-luxury and affordable luxury as well as between luxury and mass tourism.

Above all, the demand for luxury travel is expected to grow - this show major market research, especially in relation to young customers. The purposely conducted survey confirmed another anticipated event - the greater use of online tools and smart phones will have an effect on the sales process and on communications within luxury travel industry. At the same time the interest in mass types of tourism remains strong for tourism industry itself, but also for a significant share of the tourism market, which is advantageous trade bait for a good vacation. This makes the dilemma between mass and luxury tourism severe. And of course, requires a scientifically based and practical to apply approach to benefits and disadvantages to justify the selection of future tourism development.

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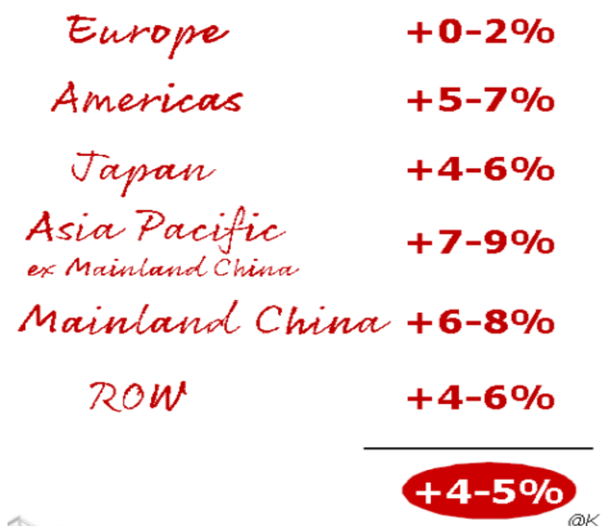
Figure 1.Expected growth by regions for the year 2013



Source: Worldwide Luxury Market Monitor

Figure 2. Key macro trends, influencing customers

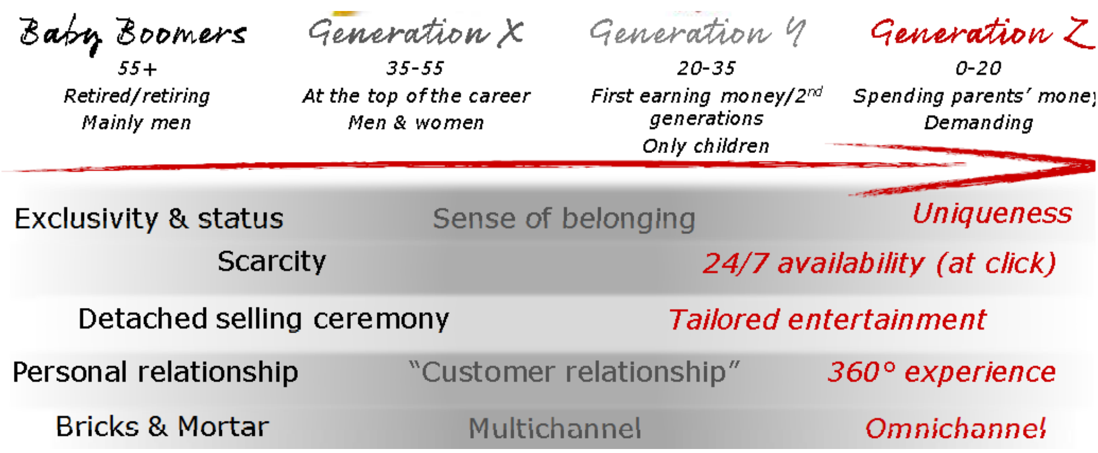


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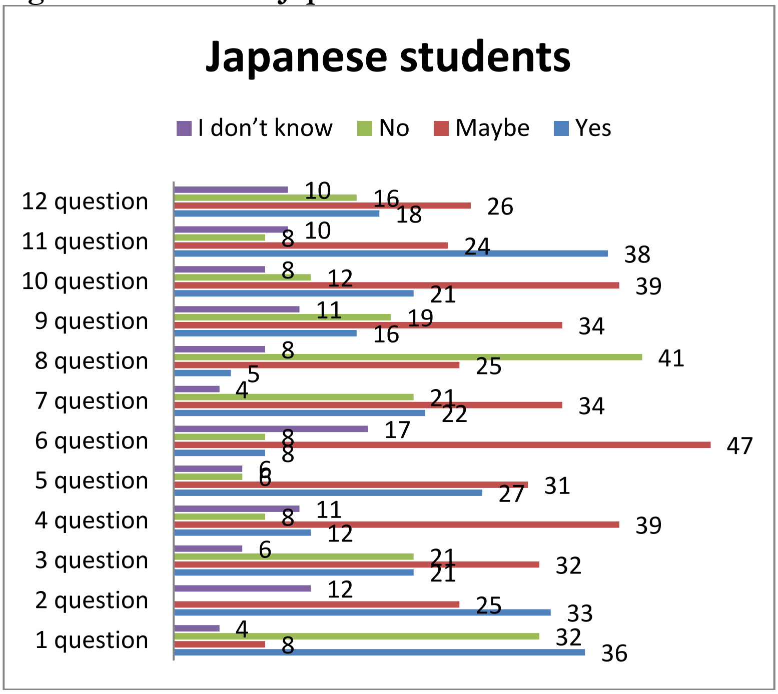
Figure 3. Answers of Japanese students



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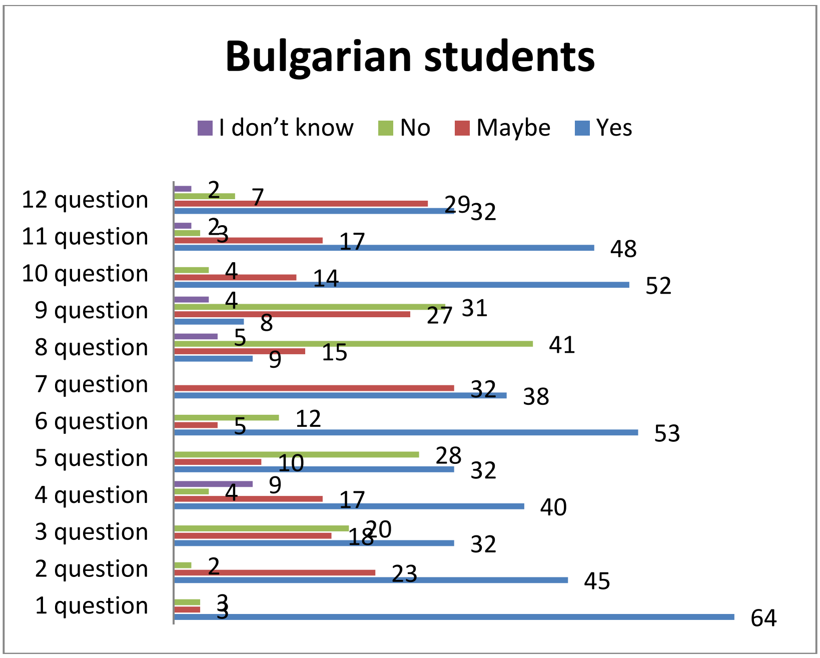

Table 1.Students' questionnaire form

Questions	Yes	Maybe	No	I don't know
1. If you had a chance, would you like to visit a luxury tourist destination?				
2. The richest tourists prefer luxury travel destinations more than the standard tourist destinations?				
3. By your opinion the price which you pay to stay at the hotel, is it important for the luxury status of the same hotel?				
4. The richest tourists are the main group of clients for the luxury tourist destinations?				
5. Is it Internet your primary source of information about luxury tourist destinations?				
6. Do you know people who are been a clients of a luxury tourist destinations?				
7. Do you think that the luxury tourist destinations are inaccessible to ordinary tourists?				
8. Do you think that the luxury tourism is the tourism of the future?				
9. Is the middle class of tourists a clients of the luxury tourism destinations?				
10. Is it possible the new information technologies to lead for a greater development of luxury tourism?				
11. The Space tourism belongs to a luxury tourism?				
12. Can the smartphones be a major source of information for luxury tourist destinations?				