

EXPLORING THE FACTORS THAT DRIVE LUXURY TOURISM.

Sub-brand by Lapland Safaris Case

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Thesis

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The thesis project attempted to understand motivations, preferences, and behaviours of luxury tourism customers. Analyse the main factors that drives luxury customers to develop a luxury sub-brand under Lapland Safaris in Lapland. Various resources related to luxury tourism segment have been studied, as well as sustainability in luxury tourism to give a solid background in the theoretical section.

The commissioner of this thesis was Lapland Safaris Rovaniemi, founded in 1982 is one of the mayor safari companies in Arctic Europe. The final objective of the thesis was to define the potential of Lapland Safaris entering the luxury market, showing the potential of a growing market and how to match the expectations.

Qualitative methodology was the main approach used in the thesis based on interview method with luxury tourism's experts in Lapland and worldwide, other method used was mystery shopper, used to understand how luxury companies in Lapland approach their potential clients.

According to the results, defining luxury tourism was a challenge as the variety and the spectrum inside the segment is large. Every customer is different and close collaboration and communication is required to understand the client and match their expectations. Luxury travellers need unique and customized experiences, high-quality services, use effective of time, authenticity and sustainable products.

Lapland is itself a luxury tourism destination for its nature and unique attractiveness but improvement in service is needed to success with luxury travellers.

Lapland Safaris tied all the elements to create a luxury sub-brand to succeed in that market, as being an experienced and trustful brand are some of the main requirements for luxury customers, but that can cannibalize other already successful products.

Further research is needed to plan the new sub-brand; however, the thesis gives an overall overview about the target market motivations, preferences, and behaviours.

Keywords Luxury, tourism, high-end, quality, brand, Lapland.

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1 INTRODUCTION

After more than 10 years working as a guide and manager in tourism companies in Finnish Lapland, an interest in a more immersive, sustainable, high-quality, exclusive way of doing tourism has grown inside. A way to show Lapland, our culture, and nature to the guests with the minimum negative impact on nature and the community.

Luxury tourism is a growing trend in the tourism industry, reflecting an increasing demand from affluent travellers for unique and exclusive travel experiences in natural environments (Kim & Koens 2020, 1507 –1526).

Research has shown that high-end nature-based tourism is a niche market that appeals to travellers seeking exclusive and immersive experiences that allow them to connect with nature and engage in outdoor activities. This trend is driven by a variety of factors, including the desire for adventure and unique experiences, the pursuit of wellness and relaxation, and the desire to support conservation and sustainability efforts in destinations. (Business Finland 2020.)

The purpose of this thesis is to explore and understand the factors that drive luxury travellers. Luxury customers' needs, preferences, and the role of sustainability in luxury tourism. By doing so, it can help inform and develop future strategies and services to reach and match luxury customers' needs for the future development of a luxury sub-brand by Lapland Safaris.

Lapland Safaris, the commissioner and the company with which I worked for the last 10 years, is a Finnish company that offers a wide range of outdoor activities and experiences in the Lapland region of Finland. The company was founded in 1982 and has since grown to become one of the largest tourism companies in Lapland (Lapland Safaris 2022).

To address these issues, this thesis will draw on a range of sources, including academic journals, reports, and industry publications, as well as interviews with several tourism professionals and experience producers in and outside Lapland.

The use of artificial intelligence applications such as Quillbot.com and Perplexity.ai has been used during the final phase of the thesis for academic writing and language checking.

This thesis aims to contribute to a better understanding of luxury travellers' needs, expectations, and main factors that drive luxury customers and their relationship with sustainability.

2 SUSTAINABLE LUXURY TOURISM

2.1 Luxury

The definition of luxury has been evolving through the years and is a concept that can vary between cultures and times. Adam Smith, the founder of modern economics, defined luxury as everything beyond necessity (Kemp 1998, 591-606). Other definitions of luxury are expensive products or services priced above their functionality value (Yeoman 2011, 47 –50) or products and services whose ratio of functionality to price is low (Nuño & Quelch 1998, 61-68). (Kapferer 2016.)

Luxury for sociologists is a social stratification role that is a reflection of the elite taste and shows status (Bourdieu 1984). According to Kapferer (2016), luxury can be defined as:

“Access to hedonistic, very high-quality objects, experiences, and personal services, sold at a price far beyond what their functional value would command, which represent sources of a sense of privilege, taste, and refinement and produce recognition by relevant others, due to the power of the brand.” (Kapferer 2016.)

Luxury has been historically linked to aristocracy, royalty, and exclusivity. Luxury brands were the highlight of luxury, providing rare and exquisite products such as champagne, caviar, designer clothes, and sport cars. Luxury is a symbol of an elite social class; brands and products exclusively created for a minority to show status. (Joy, Belk & Bhardwaj 2017, 442–452.)

To understand the multifaced value of luxury products, six dimensions or factors were identified by Dubois, Laurent and Cellar (2001):

1. Social value: This refers to the prestige and status associated with owning luxury and exclusive goods. Luxury items can serve as symbols of wealth, power, and sophistication, making them appealing to consumers who seek to maintain or enhance their social standing. Luxury brands often create a sense of exclusivity through limited editions, high price points, and restricted distribution channels. (Dubois, Laurent & Czellar 2001.)

2. Financial value: Luxury goods are often perceived as being worth the high price due to their superior quality, materials, and craftsmanship. Consumers may be willing to pay a premium for luxury products because they believe they offer better value in terms of durability, performance, and overall quality. Luxury is often associated with high quality and superior performance. (Dubois, Laurent & Czellar 2001.)

3. Individual value: Luxury products can provide a sense of personal fulfillment and self-expression. Consumers may choose luxury goods to align with their self-image, lifestyle, and personal values, as they can serve as an extension of one's identity. Luxury products are often seen as indulgent and capable of providing sensory and emotional gratification. (Dubois, Laurent & Czellar 2001.)

4. Functional value: Luxury goods often offer enhanced performance, features, and design compared to more affordable alternatives. This functional value can be particularly appealing to consumers who require high-quality products for their professional or personal lives or are searching rare and unique products. Luxury brands often emphasize their uniqueness through innovative designs, limited production runs, and customization options. (Dubois, Laurent & Czellar 2001.)

5. Experiential value: Luxury brands can provide a unique and memorable experience for consumers, ranging from the shopping process to the actual use of the product. This experiential value can contribute to a consumer's overall perception of luxury and their willingness to pay a premium for it. (Dubois, Laurent & Czellar 2001.)

6. Symbolic value: Luxury goods can serve as symbols of success, sophistication, and taste. Consumers may choose luxury products to signal their membership in a particular social group, refer to heritage, history, and legacy or to demonstrate their discerning taste and appreciation for fine quality and design. Luxury consumers often value brands with a long-standing reputation and a rich heritage. (Dubois, Laurent & Czellar 2001.)

Moving into the present, luxury is no longer for kings and queens; as society becomes wealthier, the definition of luxury changes (Yeoman 2011.). The concept of luxury is fluid and changes across time and culture (Cristini, Kauppinen-

Räsänen, Barthod-Prothade & Woodside 2017, 101–107). The definition and limits of luxury have been blurred due to the increase of affluence. Materialism has given way to personal fulfillment experience, and authenticity. (Iloranta 2021.)

Luxury has been shifting from traditional luxury to unconventional luxury (Table 1). While traditional luxury is based on owning high-quality products only available to a minority as a symbol of the elite, the unconventional luxury focuses on personal growth, meaningful experiences, and personalization. (Iloranta 2021.)

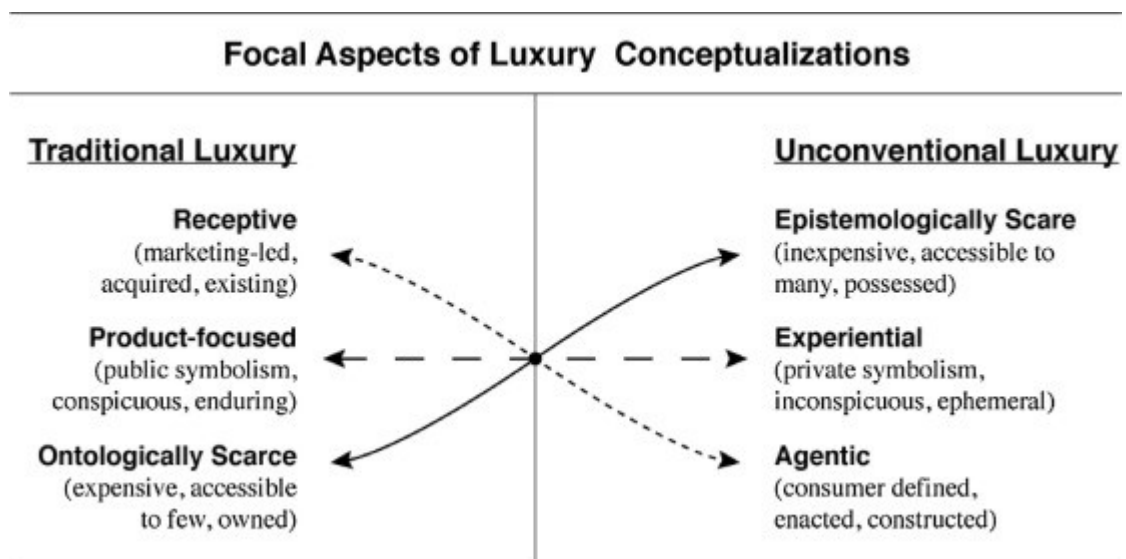


Figure 1. Focal aspects of luxury Conceptualizations (Thomsen, Holmqvist, Wallpach, Hemetsberger & Belk 2020)

Luxury consumption has become more accessible and diverse. This is known as the democratization of luxury, where a broader range of consumers can now engage with luxury products and experiences. The emergence of aspirational consumers and the rise of "affordable luxury" are noted as key developments in the modern luxury landscape. (Joy, Belk & Bhardwaj 2017, 442–452.)

As luxury consumers behaviours change and redefine themselves in a wealthier society, new concepts appear, combining the "old" luxury concept with the new customers' expectations. The concept of "Masstige" was invented by Silverstein and Fiske (2003), the term "masstige" is a hybrid of the words "mass" and "prestige." It refers to products that combine high-end quality with an accessible price range, positioning themselves as a bridge between mass-market and prestige or

luxury offerings. Masstige brands aim to offer products that are more affordable than luxury goods while maintaining a perception of quality, exclusivity, and aspiration. (Chatterjee, Chaudhuri & Vrontis 2023.)

A futurist named Jared Weiner introduced the concept of the “three T’s” of luxury at the conference Innocos in Los Angeles. The “three T’s” of luxury are Time, Truth, and Trust. Time is a very valuable non-renewal resource and needs to be used efficiently. Truth means about a product or service authenticity, values, and personalization. Trust is the relationship between a customer and a brand. (Kestenbaum 2021.)

Luxury brands are challenged to balance heritage and tradition with innovation and relevance. The challenge is to maintain the concept of exclusivity as more people have access to their services and brands (Yeoman 2011) while adapting to the demands of a digitally connected consumer base (Joy, Belk & Bhardwaj 2017, 442–452).

2.2 Luxury and Sustainability

Luxury, as traditionally understood, often involves a sense of exclusivity, rarity, indulgence, materialism, excess (Kapferer 2010, 40–45), opulence, and other qualities that can be perceived as inherently contradictory to sustainability (Bendel & Kleanthous 2007). However, luxury brands did always try to preserve ecosystems and traditions to eventually disappear; the end of these resources would mean the end of the business in question (Kapferer 2010, 40–45) (Aybaly, Guerin-Kern, Coste, Madacova & van Holt 2017).

Due luxury’s nature of limited production, strict demand and supply, high prices, use of local products, preservation of craftsmanship, and high-quality products, luxury brands have been supporting sustainability. As luxury consumers increased their demand for sustainability, the relationship between luxury and sustainability changed from a one-way relationship to a two-way relationship, where luxury brands could not survive without sustainable practices. (Aybaly et al. 2017.)

Luxury sector consumers increase the demands for authenticity, environmentally, and socially responsible practices, paving the way for a paradigm shift in luxury consumption patterns. At the same time, luxury brands face the intricate challenge of reconciling the opulent allure of luxury with the growing imperative of sustainability, the challenge of striking a balance between sustainable practices and the essence of luxury. (Kapferer 2010, 40–45.)

Young generations, such as Millennials and Gen-Z, are conscious of environmental issues and influenced by sustainability. About 30% of all luxury shoppers are from these generations and are projected to be 50% of luxury consumers by 2025. Luxury brands need to incorporate sustainability into their values and missions. (Devic 2023.)

Luxury brands and businesses cannot simply adopt superficial greenwashing strategies to meet this shift in demand. Instead, Kapferer suggests that genuine sustainability requires a profound transformation in the core values, production methods, and messaging of luxury brands. Luxury brands must undertake to authentically integrate sustainability into their identities, operations, and marketing strategies (Kapferer 2010, 40–45). Sustainable luxury is not only about adopting eco-friendly practices but also involves engaging with societal issues and contributing positively to local communities (Bendell & Kleanthous 2007).

Luxury brands and businesses can align themselves with sustainability principles without compromising their core identity and appeal. According to Bendell and Kleanthous (2007), true luxury should extend beyond materialism and exclusivity to incorporate ethical and ecological considerations. The term "deeper luxury" describes this evolving concept, which emphasizes quality, authenticity, and social consciousness, advocating for a shift from conspicuous consumption to meaningful experiences, from materialism to craftsmanship, and from exclusivity to inclusivity. (Bendell & Kleanthous 2007.)

Practices to reduce the industry's carbon footprint include ecofriendly materials, renewable energies, circular business model, improving water usage and waste recycling (Devic 2023), and the use of new innovative technologies that are more efficient but also affordable to luxury brands and customers (Aybaly et al. 2017). Luxury brands have been successfully incorporating sustainability into their

narratives and business models, integrating sustainability into their operations while maintaining their allure. Catering to a growing segment of conscious consumers who value both opulence and ethics (Bendell & Kleantous 2007).

2.3 Luxury in Tourism

Tourism is a vital industry that has significant impacts on the global economy. One of the segments of the tourism industry is luxury travel, which caters to high-end consumers who are willing to pay premium prices for exclusive experiences. The concept of high-end or luxury services has been the subject of research in recent years, with scholars seeking to understand the factors that contribute to the success of luxury service providers. (Wirtz, Holmqvist & Fritze 2020)

According to Wirtz, Holmqvist and Fritze (2020), luxury services can be defined as high-end, exclusive, and personalized services that cater to the needs and desires of affluent consumers. Luxury services are distinct from other types of services in that they are not only functional but also emotional and experiential, providing customers with a sense of status, exclusivity, and exceptionalism.

According to Mäki and Tervo (2019), luxury tourism can be defined by six factors: Caring, Personal Service, Unique Experience, Flexibility, Safety, and Exclusivity. The levels of accomplishment of these factors are what distinguish a luxury product from a just standard product: luxury service providers provide tailor-made services, local and authentic experiences that are flexible and secure; these services are pre-planned and unique.

One of the primary characteristics of luxury tourism is exclusivity. Travelers who participate in luxury tourism are seeking unique and personalized experiences that are not available to regular customers. This could include private tours in exclusive destinations, access to high-end accommodations, amenities, and services, and personalized attention from staff. (Buckley 2012)

Johnson (2013), in the article "10 definitions of luxury travel from within the industry," asks some experts to define luxury travel. According to the article, some of the respondents notice that time is one of the most precious aspects of luxury travel. The possibility of deciding whether to expend time at one site or not to be

queuing, waiting, or sharing with other customers, ensures that all the time is spent on the experience itself.

'What is luxury travel?' from Chopra (2013) is another article that tries to define luxury tourism according to industry experts. In the article, authenticity is one of the strong points of luxury travel; authentic experiences are the essence of luxury travel.

Iloranta (2019) assumes that the human interaction in the service is the thread that ties the luxury experience together: the encounter with people and how the service is delivered, the authenticity of the experience, and the physical and intellectual stimulation. All these factors create the feeling of luxury.

Luxury tourism is a growing segment of the travel industry that offers high-end accommodations, exclusive experiences, and personalized services to affluent travellers seeking a unique vacation experience. The connection between luxury and tourism is significant. According to the World Tourism Organization (2021), luxury tourism involves the provision of high-quality services and amenities that go beyond the standard offerings of the hospitality industry.

Luxury services can be categorized into three categories: everyday luxury, standard luxury, and elite luxury (Figure 2). Everyday luxury services are those that offer a high level of quality and exclusivity but at a relatively affordable price point. Examples of premium luxury services include boutique hotels and high-end restaurants that offer exceptional service and quality but are not necessarily exclusive to a select group of customers. (Wirtz, Holmqvist & Frieze 2020, 181.)

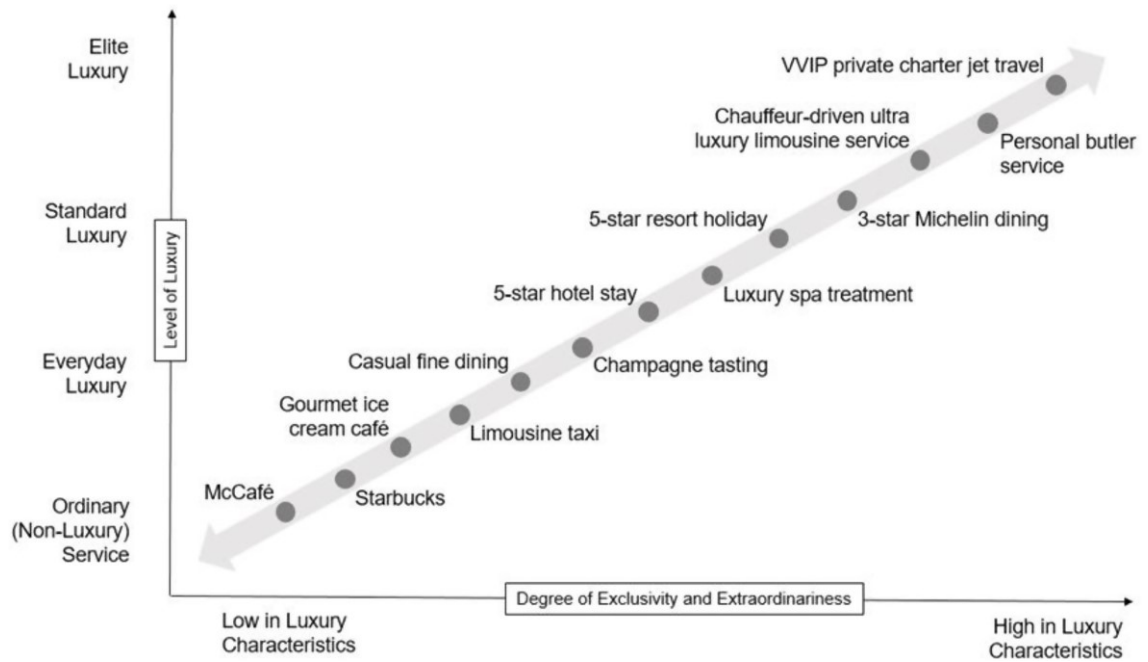


Figure 2. The luxury-ordinary service continuum. (Wirtz, Holmqvist & Frietze 2020, 181)

Standard luxury services, on the other hand, are those that offer a higher level of exclusivity, customization, and personalization than premium luxury services. These services are typically more expensive and cater to a select group of customers who are willing to pay a premium for a unique and exclusive experience. Examples of ultra-luxury services include private jets, luxury cruise ships, and high-end spas that offer personalized treatments and services. (Wirtz, Holmqvist & Frietze 2020.)

Elite luxury services are the most exclusive and expensive type of luxury service, catering to the wealthiest customers who are willing to pay for the most unique and exceptional experiences. These services are characterized by the highest levels of exclusivity, customization, personalization and are often tailored to the specific needs and preferences of individual customers. Examples of super-ultra-luxury services include private islands, bespoke travel experiences, and high-end fashion and jewelry brands that offer one-of-a-kind pieces. (Wirtz, Holmqvist & Frietze 2020.)

The concept of luxury services encompasses a wide range of offerings, from premium to super-ultra-luxury services. The degree of luxury depends on factors such as exclusivity, customization, personalization, and price point, with the most

exclusive and personalized services catering to the wealthiest consumers who desire the ultimate in luxury experiences. Understanding the different degrees of luxury services is essential for luxury service providers to tailor their offerings to the specific needs and preferences of their target customers and to remain competitive in this dynamic and lucrative market. (Wirtz, Holmqvist & Fritze 2020.)

Several trends are driving the growth of luxury tourism. One trend is the rise of the global upper middle-class, which has created a larger pool of affluent travelers who are seeking exclusive and high-quality travel experiences. Another trend is the increasing popularity of experiential travel, where travellers seek to immerse themselves in the local culture and environment. (Crouch & Ritchie 2015.)

Another notable trend in luxury tourism is the emphasis on sustainability and eco-friendliness (Kim & Koens 2020, 1507–1526). Sustainable luxury tourism emphasizes environmentally responsible practices and local cultural immersion. It is crucial to ensure that tourism development is done in a responsible and sustainable way, taking into consideration the impact on local communities and the environment.

In conclusion, luxury tourism is a growing travel segment that offers high-end accommodations, exclusive experiences, and personalized services. It contributes to the economy and provides individuals with a unique vacation experience. With the increasing demand for sustainable and eco-friendly tourism, luxury providers are also taking steps to reduce their environmental impact. It is essential to ensure that tourism development is done sustainably and ethically to preserve local cultures and the environment. As the luxury travel market continues to evolve, it is essential for luxury service providers to stay abreast of the latest research and trends to remain competitive in this lucrative and dynamic market (Wirtz, Holmqvist & Fritze 2020.)

3 THESIS PROCESS AND METHODOLOGY

3.1 Purpose, Objectives, and research questions of thesis

The purpose of this thesis is to explore and understand the factors that drive luxury travellers. Luxury customers' needs, preferences, and the role of sustainability in luxury tourism. By doing so, it can help inform and develop future strategies and services to reach and match luxury customers' needs for the future development of a luxury sub-brand by Lapland Safaris.

The thesis objectives are to identify what luxury customers' needs from a tourism product or service are, which are the qualities that the product needs to have in order to be attractive to the luxury market.

The other objective is to understand how the relationship between luxury customers and luxury brands is, what makes a brand being luxury, and how to reach and match luxury customers' expectations.

What is the relationship between luxury tourism and sustainability that has been historically perceived as opposites?

- The questions of the thesis are the following:
- Luxury customers' needs and preferences.
- Luxury brands match the customer's needs.
- The role of sustainability in luxury tourism.
- Lapland as a luxury destination.

To answer these questions, several interviews with experts in luxury tourism and the mystery shopper method have been conducted to benchmark and understand how luxury companies in Lapland are approaching potential customers.

3.2 Qualitative methodology

The term "qualitative research method" refers to a systematic and rigorous approach used to collect and analyse data in qualitative research (Braun & Clark 2013, 19–40). Qualitative research is a methodology in which researchers aim to understand and interpret a social phenomenon by exploring the perspectives and experiences of participants. It involves an in-depth examination of the participants' experiences, beliefs, behaviours, and interactions to gain a comprehensive understanding of the research topic. (Creswell 2013, 72–85.)

Qualitative research methods emphasize capturing the subjective perspectives of participants and exploring the social and cultural influences that shape their views and behaviours. This type of research is widely used in social science, psychology, and healthcare studies, as it allows researchers to explore complex issues and phenomena in depth. (Braun & Clark 2013, 19–40.)

Five keys' characteristics can be found in qualitative research methods:

1. **Data Collection:** Qualitative research methods involve the collection of non-numerical data through various techniques, such as interviews, focus groups, observations, and document analysis. These methods allow researchers to gather rich and in-depth information, often in the participants' own words. (Braun & Clark 2013, 19–40.)
2. **Contextual Understanding:** Qualitative research focuses on understanding phenomena within their real-life settings and cultural contexts. Researchers aim to explore the complexities and nuances of the research topic by considering the broader social and cultural factors that influence participants' experiences. (Braun & Clark 2013, 19–40.)
3. **Interpretation and meaning making:** The analysis in qualitative research is interpretative, aiming to uncover the meanings participants attribute to their experiences. Researchers engage in thematic analysis or other qualitative data analysis techniques to identify patterns, themes, and categories that inform their understanding of the research topic. (Braun & Clark 2013, 19–40.)

4. Flexibility and iteration: Qualitative research methods are characterized by their flexibility, allowing researchers to adapt their approach during data collection and analysis. The iterative nature of the process enables researchers to refine research questions and explore emergent themes and ideas. (Braun & Clark 2013, 19–40.)

5. Reflexivity: Qualitative researchers acknowledge their own subjectivity and biases, emphasizing reflexivity throughout the research process. Researchers critically reflect on their role and potential influence on data collection and analysis. (Braun & Clark 2013, 19–40.)

The aim of qualitative research is not to generalize findings to a larger population but to uncover the complexities and nuances of the specific context under study. It is often used to explore complex social issues, understand the meaning and interpretation of events, and generate new theories or hypotheses based on the participants' perspectives. (Creswell 2013 72–85.)

Overall, qualitative research is a powerful tool for exploring complex issues and gaining deep insights into individual experiences and perspectives. Careful planning and execution, as well as emphasize the importance of rigor, ethics, and transparency to ensure the credibility and trustworthiness of the findings (Braun & Clark 2013), accomplishing the points before mentioned, it can provide valuable data to inform policy and practice across a variety of fields.

3.3 Interview method

Interviews are a common qualitative method that allows researchers to gather rich and detailed data directly from participants. Interviews can be used to explore a wide range of topics, including personal experiences, beliefs, attitudes, and behaviours. Interviews are particularly useful when the research topic is complex or poorly understood and when the researcher wants to gather in-depth information about the topic from the participant's perspective. (Creswell 2013, 203–206) (Braun & Clark 2013, 77–105).

The interview method allows researchers to engage in direct and interactive conversations with participants, creating a space for them to share their insights,

emotions, and stories in their own words. These interviews can be structured, semi-structured, or unstructured, depending on the research objectives and the level of flexibility required in the data collection process. (Creswell 2013, 203–206).

Structured interviews, not a qualitative method, follow a predetermined set of questions, ensuring consistency in data collection across participants. Semi-structured interviews involve a set of predetermined open-ended questions but also allow the interviewer to explore new avenues and follow-up on interesting responses. Unstructured interviews, on the other hand, offer maximum flexibility, with the interviewer having the freedom to explore topics and questions as they emerge during the conversation. (Creswell 2013, 203–206).

Creswell emphasizes the importance of establishing rapport and trust with interviewees to encourage open and honest responses. The data collected through interviews is often transcribed, analysed, and interpreted to identify themes, patterns, and key findings that contribute to the overall understanding of the research topic. (Creswell 2013, 203–206)

Brinkmann (2020) underscores the importance of reflexivity, emphasizing the role of the researcher's own subjectivity and influence on the interview process and subsequent analysis. This perspective aligns with the complexities of understanding diverse tourism experiences and behaviours.

To ensure the validity and reliability of the interview method, researchers must carefully design their interview protocols, select appropriate participants, and ensure that the interviews are conducted in a consistent and ethical manner. Researchers must also be aware of potential biases and take steps to minimize them, such as avoiding leading questions and ensuring that the interviewers are trained in effective interviewing techniques (Fontana & Frey 2000, 645–672).

The semi-structured interview method with different tourism experts in exclusive and luxury tourism is one of the methods chosen for the research. The author had focused the interviews on the luxury customers' needs and expectations, but also on luxury nature-based tourism, the importance of sustainability in the services, opportunities, and challenges of luxury tourism in Lapland (Appendix 1).

The author may ask more questions to get deep insights into individual experiences, perspectives, and vision from the experimented participants to acquire knowledge of the possibilities of Lapland as a luxury destination and how to satisfy those target market expectations.

For the study, the author interviewed four professionals in tourism. The selection of the participants was made to have a wider spectrum of the needs of the selected target market. Each one of the participants works at different levels of the tourism product's development, from an experienced luxury guide to a CEO and an experience designer from an international DMC. The interviews were made in English, recorded, and subsequently transcribed in a document by the author.

3.4 Mystery shopping

The mystery shopping method is a popular approach where trained individuals pose as regular customers to assess the quality of service and overall performance of a business or organization (Anderson et al. 2001). The basic methodology has remained consistent since its inception in the United States. Previously viewed as a form of corporate espionage, mystery shopping was associated with questionable tactics and often linked to job cuts under the influence of management accountants. Its use was seen as a pretext for employee dismissals. (Dwek 1996.)

Mystery shopping evolved from a secretive corporate practice to a valuable customer-focused tool used across diverse industries (Dwek 1996), such as hospitality, retail, and tourism (Anderson et al. 2001). According to Block et al. (2022), anonymous and unannounced site inspections like mystery shopping were effective at improving service quality and performance standards.

While some prefer well-trained amateurs, mystery shoppers are recruited, trained, and provided with evaluation criteria to assess the quality of the service provided by the service provider. (Anderson et al. 2001); others opt for full-time staff to ensure consistency (Dwek 1996).

The mystery shopping methodology is designed to gather unbiased and real-time data about service quality from the perspective of actual customers. The role of

the mystery shopper is key to ensuring objective evaluation, reporting, and one of the most challenging issues: maintaining anonymity. (Anderson et al. 2001.)

Overall, the mystery shopping methodology is a powerful research tool. The data collected through mystery shopper experiences can be used to design targeted training programs, providing valuable insights for businesses and organizations to enhance their service quality and customer satisfaction. By using this approach, industries can identify strengths and weaknesses, leading to more effective training programs and improved customer experiences. (Anderson et al. 2001.)

For the purpose of that thesis, the mystery shopping method has been used to understand and analyse how luxury companies in Finnish Lapland approach their potential customers. The same request was sent to different tourism exclusive and luxury companies in Lapland, mainly in the Rovaniemi area, which is the area where the author has more knowledge. As an expert secret shopper who is going to analyse the results, the author's knowledge of the field and the services offered in the area will be important.

The author made a new fake email with a fake identity to not be recognized and have full freedom to work on it. The email (Appendix 2) was simple: a middle-aged couple wanted to visit the Rovaniemi area for the first time on a specific number of nights and two optional dates for next February. The only request was to have all services in private and a preference for a cabin in the forest as accommodation. The services requested were the highlights that Lapland can offer: snowmobiling, huskies rides, reindeer farm visits, and northern lights tours.

4 FACTORS THAT DRIVE LUXURY NATURE-BASED TOURISM

4.1 Lapland Safaris (commissioner)

Lapland Safaris is a Finnish company that offers a wide range of outdoor activities and experiences in the Lapland region of Finland. The company was founded in 1982 and has since grown to become one of the largest tourism companies in Lapland, with over 500 employees in season and more than 150,000 customers per year. (Lapland Safaris 2023.)

Lapland Safaris offers a variety of activities, such as husky and reindeer safaris, snowmobiling, ice fishing, skiing, snowshoeing, and Northern Lights tours. Programs are inspired by the culture of Lapland, local history, and “Lappishness” lifestyle. As part of the Lapland Hotels consortium, the company can also provide accommodation options ranging from traditional Finnish cabins to modern hotels, especially for incentive groups. (Lapland Safaris 2023.)

As an environmentally responsible company, Lapland Safaris places a strong emphasis on sustainable tourism practices and preserving the natural environment. The company works closely with local communities and employs mostly local guides who have extensive knowledge of the region and its culture. (Lapland Safaris 2023.)

Lapland Safaris is known for providing high-quality standards and unique experiences for visitors to Lapland. After being awarded the ISO 9001 quality certificate in 2000, Lapland Safaris became the first event organization agency in the world to receive one. (Lapland Safaris 2023.)

“Learn, take part, laugh” is the guideline for the quality; guests are the protagonists of the experiences, participating, taking action, and learning while having fun and being safe in the wilderness of Lapland. (Lapland Safaris 2023.)

One of the main focuses of the Lapland Safaris organization is the safety of guests and guides. In 2011, Lapland Safaris received the National Tourism Safety Award, becoming the first company to receive that award in Lapland and in the business sector. Lapland Safaris is part of the volunteer rescue team of Lapland.

In collaboration with the police and the Rescue Department, Lapland Safaris organizes every year special trainings in search and rescue and first aid training programs. (Lapland Safaris 2023.)

4.2 Interview results

The participants of the interviews are anonymous, and some parts of the interviews have been cut due to confidentiality. P1 has 30 years of experience as a guide and tour conductor in luxury travel around the world. P2 is a product manager at a luxury Finnish travel agency dedicated to selling and creating luxury products in exotic destinations around the world. P3 is a sales manager at a DMC in Finnish Lapland. P4 is the CEO of an international DMC specializing in high-end tourism in Nordic and Baltic countries.

4.2.1 Luxury consumers' needs

One of the first issues that was found during the study was the lack of consensus about what luxury, high-end, exclusive, and VIP means. The segmentation inside the luxury segment is not clear, and the terminology is usually mixed and used for all. It is agreed that luxury customers can expend more money than a regular customer, but even in that, there is a very wide spectrum of customers, and the understanding of what luxury means can be different depending on who is talking about or even from which nationality or country the customers are, as P3 noticed.

It's very important to identify, when you speak with the agency, what this luxury means for them. (P3)

When participants were asked about the difference between the needs and expectations of a luxury customer compared with a regular customer, all the participants focused their answers on the exclusivity and non-standard experiences and services, products that are not on the "price list" and are tailor-made according to their wishes and needs.

P2 added that luxury guests usually have less time, or for them, the time is more important than the money that they expend, and they want to travel more efficiently.

P1 and P3 emphasise the need for luxury customers to have service 24 hours a day available, tour conductor available all the time, and that all paperwork is already done; all the small demands should be delivered.

P4 focused on the uniqueness and personalization of the services that high-end customers' requests. The preference for small, high-quality accommodations compared to big hotels and the high-quality level of customer service expected.

They are looking for experiences that are not googleable. (P4)

Luxury tourism has shifted from materialism to the search for meaningful experiences. As traveling has become easier, luxury tourists have evolved to find unique experiences. As P1 pointed out, even the more traditional luxury travelers, nowadays look for something new and something different in every trip, not just collecting countries.

4.2.2 Luxury brand

The next theme is about branding and marketing, and the author could not go deeper because of confidentiality reasons, but two main aspects are repeating. Luxury service providers are known for being historically attached to quality since these companies were founded, creating a link between their brands and luxury services due to the quality of their services and/or uniqueness of their products. According to P4, the main elements of their company were the separation from mass tourism practices, using local services, focusing on quality instead of quantity, and sustainability.

In luxury companies, marketing is more focused on keeping the customers that they already have than looking for new ones. Luxury tourism companies rely on word of mouth and attendance at tourist fairs as a means of acquiring new customers, as P1 asserts.

4.2.3 Luxury customer's behaviour and decision making

A topic that the author noticed and all participants in the interview agreed on was that luxury customers are very loyal, more loyal than regular guests who are usually more concerned about the prices. As luxury customers do not focus on prices,

they focus on the “trustability.” As P4 says, the agency or the customer needs a tour operator or a DMC that they can trust and that can deliver what they need.

Trust is one of the factors that drive luxury customers decisions when choosing a tourism company. If services are delivered satisfactorily, customers will return. Also, P1 and P2 confirmed that their clients are returning if the services go as expected, guests are loyal, and there is constant communication between company and customer from the first request until the customer comes back from the trip, but even after that, the communication continues until they create the next travel package.

4.2.4 Sustainability in luxury companies

Sustainability is a really important point for luxury guests and also for the companies that offer high-end services. Sustainability nowadays is part of the values of luxury companies, part of the service and product, and something that needs to be addressed. P4 yet went deeper into that issue and remarks that the conversation should go one step further and start working on regenerative sustainability practices. While sustainability aims to reduce the impact of humans on the nature, regenerative practices aim to restore and revitalize the eco-systems.

P4 and P2 remark that sustainability is very important to their practices in their luxury companies. Luxury companies also analyze the sustainable practices of their partners and suppliers around the world; that way, they can show and teach their customers about their efforts on that issue. Working with locals and communities, using eco-friendly lodges or high-quality cruises with the latest technologies on recycling and reusing water. As time passes, the clients have more awareness about that issue, and they are willing to accept and contribute to sustainable projects even if the price is higher.

4.2.5 Nature-based tourism as luxury tourism

All participants agreed that nature-based tourism or destinations can be and are luxury destinations. When asked about how to deliver the luxury and the quality in those kinds of destinations where maybe the infrastructure is not enough for

luxury travellers, interviewees agreed to focus on the human touch, the customer service, and the uniqueness of the experience.

P2 pointed out that sleeping in a camp in the middle of a dune desert, being alone or with family, is a luxury in itself and eco-friendly, as after the camp is undone, trash and foot marks are clean, and the place stays as it was. P3 confirmed that for a lot of customers, being in nature, without noise and with pure air is a luxury. P4 emphasized that the difference between regular and luxury services in nature-based tourism is made by the service because the attractions, the excursions are going to be the same for regular customers than for luxury customers, but the difference is made by the customer service, by the guides, drivers, and waiters; the difference is made by the humans.

Services can only be delivered by humans, from humans to humans. (P4)

4.2.6 Finnish Lapland as a luxury destination

The last topic is about the opportunities and challenges of Finnish Lapland as a luxury destination. P3 and P4 almost agreed on mostly the same points: Lapland as a nature-based destination has a lot of potential to become a luxury destination, as uniqueness and sustainability are two of the attributes wanted by luxury customers. As interviewee P4 says:

Lapland is a high-end destination on its own power in relation to nature. The possibilities that nature offers you, and you have some services, the safaris that you can create, makes Lapland a high-end destination. (P4)

Both participants admitted that work still needs to be done, especially in customer service. As P3 remarks, having high price unique accommodations is not enough.

To justify an accommodation of this price, which means that only people from a certain category can come to your hotel because it's so expensive, you should also add more service according to the level of those people. (P3)

P3 added that the level of attention that luxury customers need is so high that companies that focus on this segment have to be ready to satisfy any desire at

any moment, which means a lot of resources are ready just in case that is needed. Also remarks that in the last 10 years in Rovaniemi area have been built several high-quality hotels or unique accommodations; in that way, Lapland is one step closer to having luxury tourism.

P4 agreed that Lapland has all the factors to be a luxury destination, but it seems like Lapland is focusing on having more tourism and is not interested in the luxury segment. As previously mentioned, P4 confirmed that their company wants to stand out from mass tourism and pleads for focus on quality, fewer customers, but more spending on their trips.

Another issue that P4 remarked on is the lack of a luxury culture among Lapland's entrepreneurs and service providers. The lack of understanding about what the expectations of luxury customers from other cultures are about luxury products and services, as well as the lack of will from Lapland's entrepreneurs to learn about it and adapt to high-end customers' needs.

The biggest resource to create luxury tourism is the people. If the people don't understand the value of delivering ultra-sophisticated service, you cannot do luxury tours. (P4)

Table 1. Interviews' key results.

Luxury consumers needs	<ul style="list-style-type: none"> • Exclusivity. • Uniqueness. • Meaningful experience. • Personalization. • Time effectives. • High-quality customer service.
Luxury consumers' decision making driven by	<ul style="list-style-type: none"> • Loyalty to a brand. • Trust. • Constant communication. • History of the brand. • Word of mouth.
Sustainability in luxury companies	<ul style="list-style-type: none"> • Part of companies' values. • Sustainable practices. • Use of local services. • Regenerative practices.
Nature based tourism as luxury tourism	<ul style="list-style-type: none"> • Nature itself is luxury. • Less materialism more human touch.
Finnish Lapland as a luxury destination	<ul style="list-style-type: none"> • Uniqueness experiences. • Sustainable practices. • Nature. • lack of luxury culture service.

4.3 Mystery shopping results

The mystery shopping method started with a simple search on Google.com with the key words Lapland and Exclusive. After the searching, four companies showed up at the top: Lapland Exclusive, Authentic Lapland, Lapland Luxury, and Luxury Action. The author checked their webpages and decided to contact them; also, Lapland Safaris was contacted because it is the commissioner. The companies chosen are the top four that Google shows.

4.3.1 Lapland Safaris

The same day, Lapland Safaris replied to the email; unfortunately, they do not make packages with accommodation and excursions for that number of guests. In the email, it was mentioned that the customer can book their own accommodation through Lapland Hotels since Lapland Safaris cannot do it. They also added a pdf brochure with all the regular safaris and another document with the

extra cost for the activities in private, some useful information about how to dress in winter, and some facts about their safaris.

Even though the first engagement was fast and full of information, the lack of personalization or customization in the product was not according to the needs of the luxury market.

4.3.2 Luxury Action

One day after the email request, Luxury Action replied to the email with a proper offer of a luxury accommodation for the mentioned dates. Good useful information and pictures about the accommodation were attached to the email, along with information about all the services included, the price per night, and activities that could be done.

The offer consisted of a luxury lodge on top of a hill with a great view of the forest and sky. The offer included all the meals with a private chef, a full spa, private guides, and a car at your disposal. The offer already came with activities such as husky ride, reindeer farm visit, snowmobiling, and handcrafting workshops, but it also attached other activities that can be done and personalized. All the activities were in private, starting at the lodge.

An offer according to the standards of elite luxury customers: fast reply, engaging communication, exclusive, tailor-made, and high-quality service. The lack of information about what kind of sustainable practices the company incorporates in their products and accommodations, such as the use of renewable energy, electric cars, and compensating carbon footprints, was a non-positive factor in the offer.

The author continued the conversation requesting an accommodation more affordable for upper middle-class customers to check how they treat the different levels of luxury. A few days later, another fully ready offer arrived by email, this time in less exclusive accommodation, staying in a glass igloo with full board. The offer included a guide at your disposal, private tailor-made excursions, and transfers.

An offer more according to standard luxury customers' needs. An accommodation according to the budget, tailor-made private excursions, and high-quality customer service.

4.3.3 Lapland Luxury

Two days after the email request, another company replied, this time Lapland Luxury, with a short email asking for some details about if this was the first time in Lapland and the accommodation desired.

The author engaged in the conversation and replied to the email. Lapland Luxury replied 45 days later, asking more questions about the customer's wishes, preferences, and budget available to start planning a customized journey. Due to the slow communication, no further conversation was had.

The slow reply was the decisive factor in disengaging the communication. The process started with engaging and co-creating the experience, but luxury customers value their time, and 45 days waiting for a reply is a reason to lose a potential client.

4.3.4 Lapland Exclusive and Authentic Lapland

The other 2 companies, Lapland Exclusive and Authentic Lapland, never replied to the request email.

5 DISCUSSION

The objective of the thesis was to explore the factors that drive luxury tourism and understand their motivations, preferences, and behaviours, but the first issue noticed by the author was the lack of agreement about the definition of luxury tourism, multiple definitions, multiple labels used to describe luxury, and unclear segmentation inside the segment.

The luxury segment is made up of customers with a higher purchasing power than regular customers; they are willing to expend more for exclusive and customized services, high quality, and an out of “price list” experience. Different labels, such as exclusive, luxury, high-end, and VIP, are commonly used in tourism to describe luxury services or customers, but there is no established segmentation or agreement on the different levels of luxury.

Luxury customers cannot be standardized due to the different levels of luxury; every guest is different with different needs, wishes, and budgets. One of the main objectives of success with luxury customers is to understand the customer, and identify the kind of luxury customer, determine how much they are willing to expend, determine what is most important to them, and then work on a personalized product that meets the customer’s expectations.

Once it has been defined, within the luxury sector there are a variety of ranges, from everyday luxury to elite luxury. There are common factors that drive luxury customers’ motivations, preferences, and behaviours. Luxury customers seek exclusivity, co-creation of personalized experiences, experiences outside of the regular customer range, time effectiveness, and high-quality services and products.

Understanding and collaborating with the customer is key to the success of the tourism service, as luxury tourism cannot be standardised. Time is a key factor; there is no time for cueing or waiting, as for luxury customers, time is more valuable than money. The services need to be efficient.

Another factor is the sustainability of the services. Luxury customers are aware of climatic change and the fragility of the environment and prefer to choose services that are sustainable and community friendly. That factor also concerns

luxury companies, as sustainability is part of their values and is attached to high standards of quality.

A strong brand is needed for success in a relationship between the company and luxury customers. A brand with values such as high-quality, exclusivity, sustainability, and trust. For luxury customers, trust is the most important factor in choosing a service provider. They do not focus on money; they focus on trust that the company matches their expectations and fulfills their needs for personalized and unique experiences. Luxury customers are hard to reach as they are not driven by offers or standard marketing, but once they are satisfied, they become loyal, as a trusting relationship between company and client is the most important for success.

Finnish Lapland has the potential to be, and already is, a luxury destination. Luxury tourism seeks unforgettable and meaningful experiences, and Lapland's nature has some elements that other destinations do not have. Pure air, silence, wild nature, northern lights, experiences that are out of ordinary life without rush, noise, stress, a full disconnection from reality.

Finnish Lapland offers a unique experience to all visitors as nature is one of the main attractions, but luxury customers also expect high-quality service. As some infrastructures can reach high-end standards as unique accommodations, customer service is one step behind. At that point, entrepreneurs, managers, workers, hosts, and guides all need to be trained to give service to luxury customers. Service providers and companies in Lapland need to understand the motivations, preferences, and behaviours of the luxury market. In that sense, only a few companies in Finnish Lapland can offer the desired service.

Lapland Safaris has all the elements to enter and succeed in the luxury segment. Is a trustworthy brand with 40 years of experience on the field, experts with knowledge about products and services, and the network and resources to fulfill the needs of luxury customers. Arctic Incentive, Lapland Safaris sub-brand, already makes tailor-made programs for incentive groups with great success, and customers and agencies already ask Lapland Safaris for private safaris due to the quality of the services.

A new sub-brand to separate regular customers from luxury customers, with exclusive customized experiences outside the brochure where every guest gets a tailor-made program with high-quality customer service, requires a lot of resources and special training in luxury service for managers and guides. That demand for resources can cannibalize the resources of regular Lapland Safaris products as well as Arctic Incentives resources.

Overall, Lapland Safaris high-end sub-brand has the potential to succeed but could be at the expenses of other services as the resources, even for a big company, are limited. More studies about the target market progression and its potential in Lapland should be made in the future to check the long-term viability of the new sub-brand or new products focused on luxury travellers.

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APPENDICES

Appendix 1.

Semi-structured interviews' themes:

1. Factors that differentiate luxury customers from regular customers
2. Behavior changes from traditional luxury tourism (materialism) to new luxury tourism (meaningful experiences)
3. Do you see any changes in the market after COVID?
4. Nature-based tourism. How to make it "luxury"?
5. Sustainability, is it an important factor for luxury clients?
6. Opportunities and challenges in Lapland as a destination for luxury tourism.
7. Marketing strategy to reach luxury market?
8. Are luxury clients loyal?

Appendix 2.

Mystery shopping e-mail.

I am and we, me and my wife, would like to travel to Rovaniemi next February 2024 for about 5 days, would be from the 17.2 - 21.2 or 24.2 - 28.2, we are flexible about the dates. We would like to have an exclusive travel, staying in a cabin in the middle of the forest were we could see northern lights and exclusive excursions of huskies, snowmobiling, etc... the main focus points / excursions that Lapland can offer but everything in private. We are very active, we like to participate, do things and we love nature.

Looking forward to hearing from you, we are very excited about that trip.

BR,