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Conclusions

Introduction

As always there is a need to seek to bring things to a neat end with an attempt to distil the ideas contained in many pages into a couple of thousand words. This involves trying to identify key thoughts and facts that encapsulate the main achievements of the text in terms of advancing our knowledge of the subject.

Writing conclusions implies that something has been completed or achieved but often the only outcome of a book is a new set of questions and I fear that this is the situation I am faced with here.

In this chapter I will endeavour to pull together threads that run through the whole book. At the same time I will revisit some of the ideas and definitions that were explored in the first chapter. I was surprised by how many of the apparently diverse subjects touched upon, from technology to sustainability, service to brands, geography to the 'experience economy' appeared to link together easily and naturally under the umbrella of luxury.

Perhaps, first of all, it would be a good idea to look at the main points which emerged from each of the chapters.

The first chapter suggested the existence of traditional definitions of luxury that revolved around high price and exclusivity. It was also noted that in our sector the concept of luxury was born in Europe and had since been adopted globally, not least due to the domination of the international travel market by Europeans, at least until recently. However, I suggested there was evidence from within tourism, hospitality and events that the meaning of luxury was changing due to a range of factors from technological developments to terrorism, economic development to social change. I also used the views of commentators from the wider consumer world to suggest that a fundamental shift in the concept of luxury was taking place, including two particularly interesting ideas. The first of these was a contention that for some consumers, particularly younger people, luxury was becoming more about experiences than the possession of things. And the second suggestion was that perhaps the term 'luxury' is now being used so widely that its very meaning is being diluted.

In the second chapter we took a historical perspective of luxury in tourism, hospitality and events. Here the point was made that until the mid-20th century virtually all international tourism was by definition luxury travel, as only a tiny proportion of populations were able to afford to travel internationally. Since then travel has become democratised, and in developed countries has become a mass market. In that context it has become possible to distinguish between luxury and less luxurious forms of tourism. However, the domination of Europe in terms of what is seen as luxury has continued, despite the rise of important new markets in recent decades in Japan, India, China and the Gulf States. Travellers from these countries have, so far, largely followed the ideas of luxury first developed in Europe, although this may change as these markets mature.

Chapter 3 had the very difficult task of trying to identify the factors that are shaping the changes, which we are seeing globally, in the concept of luxury. There was a suggestion made that the most important factors included:

- Technological developments, notably the Internet and mobile devices, which have given more choice and convenience to all consumers regardless of wealth.
- Demographic change and the rise of a global class of young entrepreneurs, often working in new technologies, whose ideas of what constitutes luxury are often very different to those of the older generation who have traditionally dominated the luxury market.
- The idea of the 'experience economy' with its suggestion that everyone should and could have a personalised experience, regardless of wealth.
- The increasing power of the globalised media linked to the growth of celebrity culture.
- The growth of terrorism, which means 'luxury' may now mean, first and foremost, being safe and secure.
- Rising consumer expectations and the fact that yesterday's luxury quickly becomes today's necessity.
- Consumers feeling increasingly pressurised and short of 'free time', so that time itself becomes a 'luxury commodity'

In Chapter 4 we looked at the luxury market as a whole. The first point made was that the lack of clear definitions of luxury meant it was virtually impossible to measure the global size of the luxury market in tourism, hospitality and events. We also noted major geographical differences which have an impact on our understanding of what luxury means. When looking at 'net high worth individuals', i.e. rich people, the USA still dominates with sixteen million people in that category compared to around one million in China. In the USA, HNWIs represent 7% of the population, whereas in China they represent only 0.1% (EuroMonitor 2015). However, this data was reported in 2015 and it is likely that the number in China

will grow much faster than it will in the US. It is also likely to rise much faster in India which, according to Euromonitor, did not even have one million HNWIs in 2015. However, it is not just about how many rich people live in a country, it's also about how they spend their money. And it is clear that in emerging markets such as China and India, international high end travel is still a novelty and one which bestows great status on the traveller within their own society. We also noted from the same report, differences in what luxury travellers from different countries spent money on. Chinese tourists spend far more, for example, on shopping and activities than the global average, but less on food and drink. This has made them an attractive target market for cities with thriving retail and entertainment sectors.

In the same chapter we also looked at the market for luxury in different sub-sectors of tourism, hospitality and events, together with what constitutes a luxury destination. These issues were taken further in two subsequent chapters.

Chapter 5 focused on the behaviour of individual luxury consumers, whose aggregated behaviour makes up the market. I suggested that the idea of luxury and purchase decisions in our sector are strongly linked to the idea of lifestyle or rather three versions of lifestyle namely:

- The lifestyle the consumer actually lives
- The lifestyle the consumers wishes they lived
- The lifestyle they hope other people will think they live.

I also discussed a number of other factors relating to consumer behaviour, including the idea of time as almost a luxury commodity, the question of the status bestowed by being seen as a luxury consumer and the importance of being able to share luxury experiences through social media. We also began to explore what could be seen as a continuum of luxury in tourism, hospitality and events, and this is illustrated in Figure 14.1. I put forward a number of other proposed typologies of luxury consumer behaviour in tourism, hospitality and events and made a number of other points including:

- The concept of time as a precious commodity, almost a luxury in its own right.
- Luxury is about unique or rare experiences, but these do not always have to be highly priced.
- Safety and security are highly prized but can no longer be taken for granted with the rise in terrorism and the apparent increase in natural disasters, extreme weather incidents and outbreaks of disease .
- Some consumers prefer a more informal approach to luxury service delivery than the more formalised style which has been the norm in the luxury market.
- The vacation experience is greatly enhanced by the ability to share experiences through social media.