



# Luxury tourism experiences: Wales

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## Abstract

The hiatus that COVID-19 caused enabled tourism policy makers worldwide to reconsider the luxury tourism experience. They could examine what they were offering and how they could attract luxury tourists after the pandemic. Tourism New Zealand (NZ) conducted a survey to gain a clear understanding of the luxury tourism drivers that high net worth individuals (HNWIs) have in order to create an appeal to NZ. This survey was mirrored by two academics (one from Wales and one from NZ) for the Welsh tourism sector. A case study approach was taken with a sequential multi-phase design which included an online survey completed by 733 HNWI's from 9 countries. The findings provided governments and destination management organisations with insights and practical tools to evaluate and develop their offerings in a way that would provide memorable and distinctive luxury tourism experiences in Wales.

## Keywords

Luxury experience, Wales, New Zealand

## Introduction

In the true spirit of transformational experiences beyond borders, last year a joint project started to improve the levels of quality across the Welsh tourism sector drawing on existing research on co-creating luxury experiences in New Zealand. New Zealand is seen as an aspirational competitor for the Welsh tourism industry, sharing many similar cultural, natural and socio-geographical characteristics. The visitor economy, and the role of tourism within that, is acknowledged as an important catalyst for driving regenerative community and economic activities. It is estimated that there will be 500 million luxury consumers by 2030 due to luxury experiences being more accessible (Correia, Kozak & Del Chiappa, 2020). Wales however, has persistently struggled to deliver a luxury tourism product that is sufficiently distinct from its competitors and is of a high enough quality to attract visitors who will spend more and stay longer. COVID-19 caused a global hiatus which gave an opportunity to tourism policymakers and industry stakeholders to reconsider how luxury tourism can contribute to social, economic, and environmental outcomes with desired yield and sustainability aspirations (Spence, Benckendorff & Chien, 2022). So moving forward the development, monitoring and improvement of high-end luxury tourism, and the broader visitor economy, is now crucial to achieving goals such as those set out in the Well Being for Future Generations (Wales) Act 2015, which aims to deliver prosperous and resilient communities. This paper mainly outlines the joint project that was undertaken by two academics (one from Wales and one from NZ) and very briefly presents some of the initial findings.

## Literature Review

Successful destinations are born out of careful consideration of the characteristics that make a place special, unique and appealing to both residents and guests. While the mantra of growth, in both visitor numbers and spending, is still at the forefront of governments' agendas, greater attention is now needed to develop an industry that delivers authentic, meaningful and high-quality tourist experiences, while also offering a unique proposition that encourages repeat visitation and higher levels of visitor spending (Perkins, Khoo- Lattimore & Arcodia, 2020; Seyfi, Hall & Rasoolimanesh, 2020). Although often criticised, luxury tourism does offer many characteristics that can serve to realise greater net benefits to communities and places, as opposed to mass tourism that strives for growth at all costs. So it is important to gain a renewed understanding of what luxury tourism is, in terms of its consumption and production processes, as well as the associated value, emotion and narrative that is associated with it (Spence, Benckendorff & Chien, 2022). Luxury tourism involves people who are very wealthy and are willing to pay very high fees for a trip that is not only for their pleasure, but will enable them to acquire social status, especially in their social circles. Luxury tourism is defined by a variety of hospitality services and products: these range from unusual scenery, cuisine, an breath-taking decor to an integrated travel experience (Harkison, 2022).

Creating and managing luxury experiences is now becoming more significant in hospitality and tourism, and these experiences are being driven by intrinsic and extrinsic motivations. As a consequence of the increasing growth, the luxury experience in the hospitality and

tourism industry is constantly being redefining and innovating, resulting in increased attention of different perspectives, such as customer experiences, luxury accommodation experiences and definitions of luxury experiences (Buehring & O'Mahony, 2019; Harkison, 2018; Walls et al., 2011). A luxury experience is very different from a luxury good, but this is not to say that there aren't similarities – it could be argued that they both project the status of the people who is having that experience or who owns the luxury good (Harkison, 2016). Defining what a luxury experience is can be hard, but it can be seen as something out of the ordinary enveloping the guest engaging their senses in order for them to embrace something unique (Harkison, Hemmington & Hyde, 2018). In hospitality and tourism all experiences (including the luxury ones) are 'lived', and there is an inseparability that means that the production and consumption of these services are interconnected (O'Gorman, 2007). Establishments have only one opportunity to impress their guests – there are no second chances. Luxury experiences don't only rely on sole staff, they also rely on management, tangible aspects of the establishment or activity, the guest themselves and co-creation (Harkison, 2022b).

Cocreating luxury experiences is seen as a business strategy that focuses on the 'lived' guest experience and all the interactive relationships that are involved (Harkison, 2018). Co-creation permits and encourages a more active involvement from the guest, and previous research has provided models that act as blueprints of what a luxury experience is, and how it can be co-created within a New Zealand context, that research produced models on what a luxury experience is and how it is co-created (Harkison, 2016). That previous research gave the joint project a foundation to start looking at the luxury experience, the aim and objective of the project will now be explained in more detail.

## **Aim and Objective of the project**

To contribute to quality enhancement strategies by contributing to a sustainable tourism quality agenda, inform a holistic view of tourism quality via the development of a tourism quality toolkit and explore opportunities for developing a broad tourism quality benchmark grading scheme.

1. Gain deeper understandings of the profile, motivating factors and choice drivers of HNWI's via-a-via tourism experiences and their intentions of visiting Wales;
2. Develop a tourism quality toolkit, drawing upon the tenets of sustainable luxury tourism experiences as a foundation for attracting more visitors who stay longer and spend more; and
3. Assess the usefulness of sectoral quality and grading schemes and their role in driving quality enhancement of tourism businesses and luxury experiences.

## **Methodology**

This project adopted a sequential multi-phase design and embedded a comparative case-study approach (Crowe et.al., 2011; Yin, 2017). The first phase of the project was to draw together existing research on the luxury tourism experience design and quality benchmarks and

indicators. The second phase was to involve a survey of HNWIs, with a view to ascertaining their profile, motivating factors, intentions and choice drivers for visiting a destination like Wales, the questionnaire was administered electronically and mirrored the similar set of questions used by TNZ in 2020-2021 (Tourism New Zealand, 2021). The third phase of the project was holding a virtual workshop across all of the major regions of Wales. This event had two purposes: first, to present initial findings from the first and second phases of the project; and secondly to allow for industry participants in Wales to connect with and draw on the expertise and experiences of the project investigators and explore lessons-learned from TNZ's recent strategy developments. To date we have completed all three phases of the project, but we are still analysing the data that we collected, the results of which will be presented in our presentation at the conference.

## Conclusions

In conclusion, our research set out to provide destination management organisations and governments with some insights and practical tools to be able to evaluate and develop their offerings in a way that will provide distinctive and memorable luxury tourism experiences in Wales, while simultaneously enhancing the net benefit to the host community and place. At present we are still analysing the data and developing a holistic tourism quality toolkit. But our two initial findings from the data so far, is from two questions that the HNWI'S were asked 'what do you expect from a luxury experience' and 'what makes a luxury experience special'. The three highest responses for what do you expect was that it would be - authentic, unique and exclusive. The three highest responses for what makes it was that there would be - Interaction with staff, creating memories and about the food and beverage.

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