

## INSIGHTS INTO LUXURY TOURISM: THE CASE OF ELOUNDA, CRETE

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### ABSTRACT

Luxury tourism is one of the fastest-growing market segments in the hospitality and tourism industry. Luxury tourists are undoubtedly the target of many tourism businesses worldwide, as evidenced by the large investments made in recent years especially in the private sector, while the competition between luxury tourism destinations has been particularly intense. Elounda is one of the most popular tourist destinations in the world for luxury vacations, having the largest concentration of 5-star hotels in Greece. The aim of this research is to investigate the current status and the characteristics of luxury tourism development in Elounda, as well as the prospects for the future. In order to meet the above objective, qualitative research was conducted using semi-structured, in-depth interviews with the managers of nine 5-star hotels in Elounda. Findings and discussion of this study are useful to tourism professionals, academic researchers and other stakeholders interested in luxury tourism.

## 1. Introduction

Luxury tourism is one of the fastest-growing market segments in the global tourism industry, with the advantage of being little affected by the global economic downturn. According to available data (Xenia, 2008), luxury tourism accounts for about 3% of total international tourist arrivals, however, in terms of revenue it accounts for about 25% of international tourism revenue. These percentages increase from year to year. It is easy to understand that luxury tourists are a very attractive segment of the market for tourism businesses and destinations. However, due to the high demands and expectations of luxury tourists, attracting them is not an easy task, as it requires high investments for the development of appropriate infrastructure. Nevertheless, there are already established luxury holiday destinations, and the competition between them is intense. In recent years, Greece has entered the map of luxury tourism dynamically, with specific areas such as Elounda, Mykonos and Santorini being recognized internationally as luxury destinations.

Elounda is a small town on the northeast coast of the island of Crete, Greece. It skyrocketed in the late 60s when the first luxury 5-star hotel of Crete was built there. A building boom of luxury accommodation turned this small fishing village into the lively cosmopolitan resort it is today, the most luxurious in Greece, hosting some of the most prominent representatives of the world's social,

political and economic life (Trihas, Zouganeli, & Antonaki, 2012). Elounda is home to some of the finest hotels and resorts in the world. It is the place with the highest concentration of Greece's 5-star hotels. Most of these hotels belong to large hotel groups (e.g. Marriott, Leading Hotels, Relais & Chateaux, Small Luxury Hotels). Elounda is characterized as 'the epitome of a luxurious holiday' (Trihas & Konstantarou, 2016). The visitors have the opportunity to choose between bungalows, suites and villas with sea-view, modern and contemporary design and specialized facilities. Swimming pools, indoor and outdoor, simple or overflowing, heated and non-heated, spa and thalassotherapy centers, tennis and golf courses, private beaches, private heliports, award-winning gourmet restaurants give a complete picture of the area's luxury tourist product.

While there is a growing volume of literature about luxury tourism, there is a lack of empirical studies focusing in the Greek context. This paper comes to partly fill this gap and contribute to the existing literature, as it attempts an analysis of luxury tourism and luxury tourists, using Elounda in Crete as a case study.

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## 2. Literature Review

Several attempts have been made over the years to conceptualize the term “luxury” given its subjective nature and the extensive context in which it is applied. At the core of any effort is the wide range of quality products and services that meet the needs and expectations of a highly specialized and demanding consumer group (Hallott, 2013). The English word “luxury” derives from the Latin word “luxus” and encapsulates the concepts of opulence and extravagant lifestyle in order to satisfy desires that quite often exceed the usual daily needs (Dubois, Czellar, & Laurent, 2005). It suggests, inter alia, superiority, uniqueness, exclusivity and social status and is used to describe something majestic and emblematic with unlimited applications in everyday life (Vigneron & Johnson, 2004). Moreover, according to Park and Reisinger (2009), luxury goods give personal and social identity to those who buy them and are characterized by creativity, high quality, limited production and high prices. In addition, crucial is the role of the brand name that accompanies luxury products as it presupposes all the above characteristics, while it can also form a repetitive clientele, which arises as a result of trust in them (Kapferer, 1997).

Moving towards the concept of luxury tourism and taking into account that the meaning of luxury is constantly evolving, there is no commonly accepted definition, as it is interpreted differently depending on the perceptions of each traveler. However, its essential components are: a) the excellent service, b) the high quality, c) the exclusivity, and d) the rarity, characteristics that justify the high prices that represent the value and level of services offered (Kemp, 1998). In addition, it is a combination of tangible products, services and experiences (Park & Reisinger, 2009). Based on the above assumptions, one could come to the following definition: It is the type of tourism that includes travel which has as its main purpose the acquisition of unique, authentic and quality experiences that are acquired mainly through the provision of personalized and exclusive services usually at higher costs compared to other types of tourism (Xenia, 2008). According to IPK International (2017), this cost usually exceeds €750 per night and per person for a stay of 1-3 nights, or exceeds €500 per night and per person for a stay of more than 4 nights. Of course, the above amounts are a minimum expense which defines luxury tourism and can reach much higher levels due to seasonal fluctuations. The acquisition of innovative, unusual and exotic experiences works as a catalyst in the decision-making process (Park, 2000). Luxury experiences may include accommodation at exclusive 5-star or 6-star hotels, suites and villas around the world, dining at sophisticated award-winning restaurants that offer unique culinary experiences, wellness activities such as spa and massage treatments, luxury cruises, yacht chartering, sports facilities such as tennis and golf courses, and specially designed activities that

emphasize comfort, relaxation, attention to detail and demanding consumer standards (Bakker, 2005).

Luxury tourism adds high added value to the basic primary product (Dykins, 2016). Although the global economy is characterized by successive fluctuations, many consumers are seeking luxury on their holidays and are prepared to pay higher prices for it (Park, Reisinger, & Noh, 2010). In 2019, global luxury tourism market reached US\$831 billion with an expected growth of 7.3% until 2023 (CPP Luxury, 2019). At this point, it is worth focusing on the changes in luxury tourism over the years and the transition from “old luxury” to “new luxury”. Initially, until the 1990s, this type of tourism was the exclusive prerogative of the few (elite), while such trips were made for reasons of impression and prestige (Hallott, 2013). Nowadays, luxury travel seems to be accessible by a larger group of consumers. The emergence of “new wealth” and the greater professionalism with which this particular tourist product is now treated (Brenner & Aguilar, 2002) contributed significantly in this direction. Increased demand for luxury tourism as well as profits from it led the tourism industry to create a wide range of luxury products and travel options (Sukmawati, Ernawati, & Nadra, 2018). New markets are emerging beyond existing ones. Indicatively, China is the fastest-growing market with the highest demand for luxury products with an annual growth rate of 20%, while it is expected to be the largest luxury market in the coming years (D’Arpizio, Levato, Prete, Del Fabbro, & Montgolfier, 2019). This is also a noticeable difference between the old and the new era of luxury.

The increasing demand for luxury tourism creates the need to explore the characteristics and behavior of tourists who choose this type of vacation. Luxury tourists are an important segment of the global travel and tourism industry, generating high profits with a smaller sales volume (Demir & Saribas, 2014). They are not seeking the best price, but the best product, which concerns the accommodation and the whole range of tourist services: service from travel agencies / tour operators, transfer to and from the airport to the destination, meals at sophisticated restaurants as well as activities and services inside and outside the hotel (Yu & Littrell, 2003). Nevertheless, although luxury tourists have great purchasing power and spend huge amounts of money on luxury vacations, they are focused on value-for-money in their travel choices (Demir & Saribas, 2014; Novotna & Kunc, 2019). Moreover, luxury tourists are distinguished by those who choose luxury tourism by choice due to their lifestyle, and by occasional luxury tourists, who simply want to try this type of holiday at some point of their life in order to live a special experience (Park et al. 2010). The first category of luxury tourists is the most prevalent and most populous and is subdivided into smaller market segments. Typically, luxury tourists have a high disposable income and available time that allows them to travel. They are experienced

travelers, well-educated, knowing very well the product they are buying and having high demands on the expected quality. They usually travel individually and not in groups. The main source of information for luxury destinations is the internet and social media, following international market trends. They are not a homogeneous group of the tourist market, as they differ by demographic (i.e. gender, age, marital status, occupation, income, religion, country of origin) and psychographic characteristics. In addition, new segments of the luxury market are being added to the already established ones. Consequently, luxury tourists could be distinguished into the following subcategories: (a) young professionals between 25-35 years old with high disposable income, (b) families with children, (c) middle-aged professionals between 45-55 years old, known as “Generation X”, (d) pensioners aged 60+, known as “baby boomers”, (e) celebrities, and (f) High Net Worth Individuals (H.N.W.I.). HNWI are of particular importance as they hold the largest share of luxury travel. The term refers to those individuals whose fortune exceeds a certain amount. In particular, the net worth of their assets ranges between US\$1 million and US\$30 million (Hayes, 2019). The percentage of this category has been growing in recent years. In addition, 61.2% of the world’s HNWI population comes from four countries: USA, Japan, Germany and China. The country with the largest increase in HNWI population for 2017 was India, surpassing 20% compared to the previous year. It is followed by South Korea, North America and Asia. Europe saw a 7.3% increase in the HNWI population in 2017, with Germany and Ireland in the lead (Hayes, 2019). As for the countries of origin of luxury tourists, the majority come from the United States (13.7 million luxury travel abroad) and China (10 million luxury travel), while Japan, the United Kingdom, Australia and Taiwan are additional large markets (Chen & Peng, 2014).

### 3. Method

The aim of this research is to investigate the current status and the characteristics of luxury tourism development in Elounda, as well as the prospects for the future. In order to meet this objective, a sample was selected with all the 5-star hotels in the area. Selected hotels were initially contacted, in order to identify their willingness to participate in the study. Of the 10 hotels targeted, nine responded. The profiles of the respondents are presented in Table 1. For the purpose of confidentiality and anonymity, the respondents are identified with codes (R1 to R10). Qualitative research using semi-structured, in-depth interviews with ten managers of the nine 5-star hotels followed in order to examine: (a) the course of tourism in Elounda during the previous tourist season, (b) the characteristics of Elounda that have established it internationally as a luxury tourism destination, (c) its comparative advantages over other destinations,

**Table 1.** Profiles of the participants

Code	Position	Hotel
R1	Assistant General Manager	Blue Palace
R2	General Manager	Domes of Elounda
R3	Assistant General Manager	Elounda Beach
R4	General Manager	Elounda Bay Palace
R5	General Manager	Elounda Peninsula
R6	Senior Sales Manager	Porto Elounda
R7	Executive Housekeeper	Aquila Elounda Village
R8	General Manager	Elounda Gulf Villas
R9	Sales Manager	Blue Palace
R10	Reservations Manager	Elounda Mare

(d) the profile and characteristics of luxury tourists, (e) the features which a hotel must have to meet the challenges and demands of luxury tourists, (f) the competition between hotels in Elounda as well as hotels in other luxury destinations, (g) the degree to which the image of Elounda responds to the luxury tourist product of the region, (h) the potential for further tourism development in the area, and finally (i) the prospects that are erased in the future for tourism in Elounda. The ten interviews took place during February 2020.

### 4. Findings

Initially, participants were asked to rate last year’s (2019) tourist season in Elounda. All respondents agreed that it was a very satisfying season that in the end left a positive mark. The arrivals of tourists in Elounda started timidly, but then they developed very positively, confirming the high expectations for 2019. There was a decline in July-August, which, according to one respondent (R5), is due to the “*extremely hot summer in Europe with unprecedented high temperatures, which interrupted the last minute reservations that are usually made when the weather is not good in Europe. An additional reason for this decline was the intense competition from other nearby destinations, such as Egypt and Turkey*”. Another factor that influenced tourism in Elounda was the collaboration with various tour operators. Thus, “*the bankruptcy of Thomas Cook had no effect on any of the luxury hotels in Elounda, but it did affect the mid-range hotels that operate almost exclusively with major tour operators*” (R8). Moreover, according to another participant (R6), some markets were more dynamic than last year, compared to others where a decline in arrivals was observed. For example, “*the British market, due to ‘Brexit’ and other conditions, showed a decline, while markets such as Germany and Russia rose*” (R6). Finally, in terms of hotel occupancy, the percentages were about the same as last year. High temperatures during September and October contributed significantly in this direction.

Regarding the elements that have established internationally Elounda as a major luxury holiday destination, all participants agreed that the 5-star

luxury hotels of very high standards are the key feature. As R10 characteristically stated, *“luxury hotels have contributed significantly to getting Elounda on a tourist map”*. In addition, its connection initially with the arrival of political leaders and later celebrities (VIPs) from around the world, actors, singers and artists have contributed significantly to the formation of a unique brand name worldwide. *“The starting point for the formation of this brand name was the Elounda Beach Hotel, which was the first to introduce and establish the concept of luxury tourism in the area in the 1970s, making it then famous in Europe and the rest of the world”* (R3). Still, *“there was a good strategy from the entrepreneurs that created the first hotels, who turned to quality tourism right from the start. This contributed significantly to the creation of the other luxury hotels that were added along the way and were equally of high standards”* (R6). An additional element that has gained international recognition is the services provided. *“The excellent services provided to its visitors distinguish Elounda in relation to other competitive destinations”* (R2). Elounda is also well-known as a MICE destination. Prominent personalities not only from the domestic political scene but also from other countries visit it in order to negotiate major political issues. Regarding its comparative advantages, all the respondents mentioned the ‘magical’ location where Elounda is located and the excellent climate. The morphology of the area and the wild beauty it has as it harmoniously combines the mountain and the sea make it special and extremely attractive as a travel destination. Furthermore, *“the fact that in the very beginning, during the first years of tourism in the region, Elounda was completely unknown, being exclusively a pure and unadulterated fishing village, made it even more special and authentic as a destination”* (R8). In addition, the microclimate of the area has helped a lot in the tourism development of the area. Additional advantages are the hospitality of the locals, the safety and the proximity to many countries - top tourism spenders. Specifically, as R5 stated, *“Crete is at most 3-3.5 hours away from many major markets, such as Russia, United Kingdom, Germany and it is one of our great strengths that we are close to Europe and at the same time we are a safe destination compared to other countries such as Egypt and Libya. Customers of the high standards which are our target group put their safety and the safety of their family as a priority”*.

Continuing with the profile of the tourists who visit Elounda, they are obviously of high-income. Their nationality varies from hotel to hotel. For example, in the Blue Palace and Domes of Elounda hotels, the main nationality of customers is American. The integration of these hotels into the American hotel chain ‘Marriott’ affected this fact. However, in Elounda tourists come from all the traditional markets of Greece, mainly from the UK, Germany, France, Switzerland, Russia and the Arab countries. *“Nationalities vary depending on the hotel, partner*

*travel agents and tour operators as well as the product offered by each hotel”*, R1 said. The Elounda Peninsula and Elounda Beach, for example, are a popular choice in the Russian market due to their villas and spacious suites. Finally, the Israeli market has been showing increasing trends in recent years, while the markets of Asia, Australia and Oceania are showing very little percentages. In addition, depending on the time of year, the clientele that chooses to spend their holidays in Elounda varies. Thus, at the beginning and end of the tourist season, couples of all ages meet in higher percentages, while mainly in the peak of the high tourist season families with children dominate in arrivals. An exception is the Aquila Elounda Village, which *“due to the fact that it belongs to the ‘adults only’ category, accepts only adult visitors and mainly couples”* (R7). As for the age of the visitors, it varies covering the whole range from young people aged 30 to people aged 60 and over. Usually older people are also repeat-customers. The younger age groups are absent in Elounda due to the lack of nightlife they are looking for.

As for the motivations of the visitors, the majority of the respondents agree that the main motive is relaxation. In addition, due to the natural beauty of the place and the tranquility it exudes, there are several couples who choose Elounda either to get married, or to spend their honeymoon or wedding anniversary. Of course, there are also corporate meetings that take place during the tourist season and mainly concern MICE tourism, and other incentive-leisure trips. One respondent argued that the age of the customers often affects the reasons why they travel. *“There are tourists who travel to get to know the history and culture, the gastronomy or wines of the destination or just to relax in a protected environment offered by an organized resort”* (R8). Regarding the average length of stay, it varies depending on the hotel and the nationalities of the tourists. So, in six of the nine hotels of the sample, the average length of stay is seven days, in two hotels is four days and only in one hotel is twelve days. For example, the US market, which holds the largest share in Blue Palace and Domes of Elounda hotels, chooses a smaller length of stay as it usually combines travel to Crete with some of the popular Cycladic islands, such as Mykonos and Santorini. Concerning the average daily expenditure, there is no specific amount as it varies by hotel and depends on many different factors, such as whether the holidays are booked individually or through a travel agency as well as the customer’s extras that usually involve F&B or Spa consumption. In fact, some agencies, such as Sovereign, offer customers a holiday voucher for free meals or drinks at hotel restaurants / bars.

R3 stated that *“hotels in this category have been built in such a way as to serve all the requirements of luxury tourists within a reasonable frame”*. As an example he mentioned the fireplace that was built a few years ago in a few hours on the beach of Elounda Beach at the request of a customer from

Saudi Arabia. In general, customers' requirements are mainly due to the large sums of money they spend during their stay in the 5-star hotels in the area. Their requirements may also be related to their eating habits, such as food allergies or intolerances, vegetarian or vegan options, a specific type of diet that should be consumed at a specific time during the day, such as kosher food. *"All of these are challenges related to the food that we are called to meet"* (R4). They may also request for specific amenities that they want to find in their room upon arrivals, such as a bottle of wine or fruit, or the way they want the beds to be made. In addition, their requirements may relate to their religion or nationality. A typical example is the markets of Israel and India, both in terms of religion and diet. *"As new markets continue to rise, hotels in this category should embrace all sorts of peculiarities in order to deal with them successfully"*, R2 emphasized.

Participants were then asked about the elements a hotel must have in order to successfully meet the challenges and requirements of luxury tourists. Most of the answers focused on the infrastructure and the service. Luxury nowadays is not defined as it once was as something expensive, gold, heavy and obsolete. *"In order for a hotel to have the 5-star specifications and to be able to really look the luxury customers in their eyes, it must first have very good infrastructure. Focusing on the rooms, they should be large, modern, with sea view, have enough light and excellent quality raw materials"* (R5). For example, *"the Arabs want luxury bedrooms and very large spaces, the Russians want many bedrooms in the same villa and there are customers who are happy to stay in a suite on the sea and enjoy the sun"*, R3 said.

Luxury tourism is intertwined with the unique architecture, the modern design, the large capacity, the variety of restaurants, bars and places of entertainment, as well as the wellness and sports facilities. However, apart from the infrastructure, what distinguishes the 5-star hotels from the other categories of hotels is the high-quality service to the customers. As everything evolves at a very fast pace, and the needs and requirements of customers are constantly changing, the elements that will make the difference are the ones that will keep the customer in a hotel. *"Personalized service plays a decisive role from the moment of arrival until the departure of the customer and not the mechanical and impersonal provision of services"*, R7 underlined. The hotel should constantly surprise them with small gifts in their room or during the day at the hotel, paying close attention to their needs. Repeat customers are a typical example, especially when choosing the same hotel for a number of years. *"Luxury tourists now want experiences and this is the future of tourism. So the hotels have to offer them experiences that will be unforgettable and will make them come back again"* (R4). The element that will offer the added value to the provided high-level services is the well-trained staff. R5 pointed out that a lot of specialization is

needed in gastronomy, as the competition in this field is huge in 5-star hotels and customers are expecting to find restaurants of different cuisine with special flavors based on excellent ingredients. Finally, another point on which the participants focused is that luxury tourists seek value-for-money. In other words, they want to be sure that what they are spending on is worth the money they pay.

In terms of the competition that hotels in Elounda face, opinions differ. Some of the participants believe that the competition between the hotels in Elounda exists but is within reasonable limits and mainly takes the form of noble rivalry. This is because each hotel offers a different product to a different market segment. There are, for example, hotels that only have suites, such as the Elounda Peninsula and the Domes of Elounda, and do not have simple room categories. These hotels automatically target a different category of customers than other luxury hotels that provide simpler types of rooms. On the other hand, some respondents who consider the competition intense not only among hotels in Elounda but also in other competitive destinations. Regarding the competition between the hotels in Elounda, some participants reported that although the number of beds is constantly increasing on an annual basis and new luxury hotels are opening in the area, the number of visitors does not follow the same upward trend. Moreover, customers in this category are not only looking for hotels in Elounda but also in other destinations, such as Mykonos, Peloponnese, Chalkidiki and abroad Mallorca and Bodrum. In any case, *"the political-economic and social changes greatly affect the situation and are constantly reshaping the scene"*, R1 pointed out. *"There has been intense competition with Turkey over the past season due to the sharp fall in the Turkish lira, with the result that Europeans have the opportunity to vacation in Turkey's best hotels for 2 weeks at extremely low prices"* (R9).

The intense competition requires appropriate action from hotels to deal with it. All respondents stressed the importance of continuous vigilance, upgrading and improving their product. *"Hoteliers in Elounda should not treat their guests as data, but constantly claim them, even if they are repeat customers who choose the same hotel for a number of years"*, R2 argued. Room or outdoor renovations of hotels must be carried out on a regular basis. In addition, the key role of promotion and advertising of each hotel through its participation in international tourism exhibitions, promotion in the international mass media, utilization of digital marketing and meetings with top tour operators must be recognized. At the same time, the shift to new markets beyond the established ones is a priority of all 5-star hotels in Elounda. Moreover, the pricing policy of each hotel takes into account two factors: a) its microcosm, i.e. everything related to the hotel itself, but also b) the competition both in terms of product and prices. Each hotel tries to offer

something unique and different in order to attract the interest of potential visitors. For example, TUI launched a new concept at TUI Blue Elounda Village and created an Escape Room where customers are asked to solve puzzles over a period of time, which immediately increased demand, as there is nothing similar in the area. Also, the company Elounda S.A., which owns the hotels Porto Elounda, Elounda Mare and Elounda Peninsula, is the first to bring the 'Six Senses Spa' brand to Greece and Europe, a fact that had very positive effect for these hotels. Respectively, the existence of a golf course in Porto Elounda, which is the only one in the area, is another strategic advantage over the competition. Careful selection and continuous training of personnel is another key action of hotels, in order to offer impeccable services to demanding luxury customers.

The participants were then asked to comment on whether Elounda responds to the luxury tourist product for which is famous. All of them described the situation in Elounda as disappointing. Elounda does not respond at all to the luxury tourism product it is trying to promote, as there is heterogeneity between the interior of its 5-star hotels and the outdoor environment of the area. The village of Elounda itself is characterized by an anarchic construction and a lack of aesthetics. *"We all need to realize that travelers don't just come to see a luxury hotel with high-quality facilities. They want to go out of it, to see a nice village, to take a ride in the car or on the bike, to have lunch in a nice and picturesque village square. In any part of Europe, even on islands such as Tenerife and Mallorca there are amazing little villages next to the luxurious resorts that enchant their visitors"* R9 said. Elounda's product has lagged behind for many years in contrast to its reputation, with the result that a more general upgrade of the area in terms of organization, utilization of resources and improvement of facilities is considered imperative. *"When leaving, the visitor must have created an overall picture of the destination he visited, as it appears both inside and outside the hotel"* (R8).

In recent years, there have been continuous new investments in the area of Elounda with new luxury hotel units, villas, etc. Participants were asked to what extent they believe that Elounda can support further tourism development or if, on the contrary, it is a saturated tourist destination. The majority of respondents were moderately optimistic. Thus, six out of ten answered that if it was a saturated tourist destination, new hotels and villas would not be constantly built. At the moment, there is a great deal of momentum with huge investments. Hotels of 500, 700 and 1000 beds are being prepared. *"The main reasons why luxury tourists choose Elounda are the uniqueness of the location, its very strong brand name and the services they expect to enjoy going there, as it is considered the top luxury destination in Crete"*, R7 said. In fact, R5 did not hesitate to state that in the next 10-15 years there will be a tourist boom in the area. After all, the growing competition leads to

existing hotels constantly improving their product. One of the respondents said that a destination needs all categories of hotels because even if there is a decline in some categories, visitors will have more options. On the other hand, two of the respondents strongly expressed their skepticism, focusing on the issue of sustainability in case investments are made without control. Also of concern is the fact that luxury hotel units are on the rise, but the number of visitors remains the same. As a result, luxury will be limited to far fewer hotels, as many of them will be forced to drop their prices to attract more people. So, *"although the new hotels will be much better in terms of infrastructure, they will still lag behind in their clientele"* R10 argued. Finally, two respondents considered that Elounda is marginally in terms of luxury investments. The hotel industry is evolving, but the place is not following, especially since there is stagnation in its basic infrastructure. In addition, in the coming years there will be a serious staffing problem for these hotels with adequate, specialized and experienced staff.

Globally, luxury tourism has promoted a socially responsible and sustainable tourism development model. To what extent do Elounda hotels follow this trend? In the managers' answers, the urgent need for the sustainable orientation of the hotel units where they are in charge was unanimously expressed. They follow strict guidelines to ensure a clean environment for their visitors, which will benefit future generations as well. After all, today's luxury tourists are very aware and one of the criteria based on which they choose a hotel is the actions it takes in terms of sustainability. Initiatives for a sustainable environment have been underway in Elounda for many years. Thus, recycling and saving water and electricity are a major concern of all its 5-star hotels. All lighting systems have been replaced with LEDs, which contributes significantly to the minimum energy consumption, while all rooms have water pressure regulators. In addition, detergents and cleaning products are used ecologically, without chemicals and special cards have been placed in the rooms of the clients who inform them about the frequency of change of the bed linen. The reduction of plastic and its replacement by other biodegradable materials is another action taken by all the hotels. The products used for cooking are organic and come from local producers. In fact, some hotels, such as the Blue Palace, have eco-gardens for organic production. At the Porto Elounda Hotel, there are solar panels all over the roof of the Spa, which is essentially powered exclusively by these panels. In addition, in the hotels Porto Elounda, Elounda Peninsula and Elounda Mare there is desalination, i.e. the water used is from the sea, so there are water savings. There are also composters in all hotels. Blue Palace in addition to the above actions also carries out activities such as beach cleaning, tree planting, participation in the social grocery store, while there are facilities for greywater. Finally, Domes of



Elounda applies digital information transmission by significantly reducing paper waste. The customer can be informed either through smart television or through the hotel mobile app. The participants strongly believe that such actions have multiple benefits not only for hotels and their clientele but also for the region and its population.

Finally, participants were asked about the future prospects for tourism in Elounda. All of them argued that the future of Elounda as a luxury tourist destination can be positive, but under certain conditions. As R1 characteristically stated, *“the prospects for the future could only be positive if direct cooperation is achieved between hoteliers, the local community and the state, so that the whole region can be reshaped while maintaining its authenticity. Otherwise, if the sole goal is to bring tourists without infrastructure, at some point the destination will be saturated and the brand name that has been built for so many years will start to decline”*. In addition, *“if the hotels continue to provide the hospitality and the high level of service for which they have gained recognition in the market and if there is respect for the environment, tourism in Elounda will last for many years and with much better conditions than those that have prevailed so far”*, R3 said. As the flow of tourists increases in the country, so will in Elounda. The brand name of the area and its development with luxury hotel units belonging to large tourist giants such as Marriott will significantly help open up new markets, create many new jobs and further develop it. One of the respondents stressed that *“no one should be complacent about his product, but instead invest constantly in both building and living material, giving employees the opportunity to evolve and serve Elounda’s visitors in the best possible way. Also, businessmen in the area need to reconsider the bad mentalities of the past, love their place more and realize that if they don’t, there will be no tourists forever or their quality will be much lower than they are used to so far”* (R3).

## 5. Conclusion

Luxury tourism is one of the dominant international tourism trends in recent years. Greece has a strong presence in luxury tourism with popular luxury destinations and luxury resorts of high standards. In this context, this paper contributes to the existing literature on luxury tourism, focusing on Elounda in Crete, as a case study. Elounda is considered to be one of the top luxury destinations in Greece. The aim of the research was an analysis of luxury tourism in Elounda. The research yielded some interesting findings.

First of all, the course of tourism in Elounda is upward, following the continuous years of growth of the tourism sector in Greece. Undoubtedly, the attractiveness of the landscape, the safety of the destination, the microclimate, the 5-star hotel units of high standards, the very high level of personalized customer service, the celebrity and other VIPs

arrivals, and the well-established brand name are key advantages of Elounda which have established it internationally as one of the top destinations for luxury tourism. However, hoteliers do not rest on their laurels but instead try to satisfy the changing needs and desires of their customers and thus, successfully countering the intense competition that exists both between hotels in the region and with other regions of Greece (e.g. Mykonos, Santorini, Chalkidiki) and abroad (e.g. Mallorca, Bodrum). After all, the growing competition leads existing hotels to constantly improving their product.

Regarding the profile of luxury tourists visiting Elounda, of course, they are wealthy but the rest of their demographic characteristics vary depending on the hotel and the product they choose. Thus, most of them are 30 years old and over while there is a fairly large percentage of repeated tourists who are usually over 60 years old. They usually are couples or families with children, their average length of stay ranges between four to twelve days, and the main countries of origin are USA, UK, Russia, Germany, France, Switzerland, the Arab countries, while new markets such as Israel are emerging. In addition, one of the efforts of hotels is to attract customers from new emerging target markets. In some cases, the brand of the hotel group to which a hotel belongs attracts tourists of a certain nationality (e.g. Marriott for Americans). The main visitors’ motive is relaxation, while there is a fairly large percentage of visitors traveling for business.

The paradox is that while Elounda is considered a top luxury holiday destination, the area itself, which is characterized by anarchic construction and a lack of aesthetics, cannot support this reputation. Elounda as a tourist destination created its reputation based on 5-star hotels. However, it is necessary to take measures that will lead to a complete overhaul of its image. Basic facilities and infrastructure in the area need to be improved and modernized. The cooperation of private and public bodies, i.e. private companies with the Municipality and the local community is necessary towards that direction. Nevertheless, despite the current problems in the region, the future of tourism seems to be bright. New investments in luxury tourist infrastructure are constantly being made, with forecasts for a tourist boom in the coming years. The latter proves that Elounda is not yet saturated as a destination.

## 6. Limitation and Future Research

In this research, the issue of luxury tourism was examined from the point of view of supply, exploring the views and perceptions of the executives of the 5-star hotels of the region. Thus, in the future, luxury tourism in Elounda could be examined from the point of view of demand and research could be carried out on its visitors, in order to explore their motivations, the reasons why they chose Elounda for their vacation and the degree of their satisfaction. Furthermore, a corresponding survey

could be conducted in other luxury destinations in Greece and abroad in order to compare the results with those of the present survey. Luxury tourism in Elounda could also be examined by other tourism service providers, such as luxury taxi companies, restaurants and other businesses such as jewelry stores. Finally, this research was conducted before the outbreak of the Coronavirus pandemic. It would be interesting for a newer study to look at the effects of this crisis on luxury tourism.

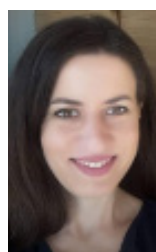
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