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Factors Influencing the Perception of Destination Brand Luxuriousness

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Abstract

The main purpose of this paper is to identify and investigate the factors that influence the building and managing of luxury destination brands. Based on a review of existing literature, the authors identified eight crucial factors: accommodation quality, quality of gastronomy offers, premium price, service quality, luxury shopping, unique experience, transportation infrastructure, and celebrity. The research was conducted on a sample of 619 respondents from 16 countries. Factor and regression analyses were used. The results indicate that the availability of celebrity and luxury shopping has the strongest significant influence on luxury destination brand building, while the impact of accommodation quality and a premium price is non-significant, and, interestingly, transportation infrastructure has a negative and significant impact. A convenience sample and the possibility of omitting certain factors (e.g. safety) from the research represent the main research limitations. This research contributes to marketing and brand management literature by identifying and investigating the factors that help in building and managing a luxury destination brand, which to date has been neglected in literature.

Keywords: brand management, luxury, destination, building factors, luxury branding

Introduction

Until 2020 and the COVID-19 pandemic, tourism was one of the fastest growing economic sectors in the world. According to the World Tourism Organization (UNWTO), international tourist arrivals grew by 7% in 2019 (the global economy grew by 3.8%) compared to the previous year to reach a total of 1.4 billion (two years ahead of forecasts). All the regions of the world – from Europe and Asia to the Americas and Africa – recorded growth, which implies that tourism has become an important industry for those countries that are not traditionally considered to be tourist-oriented. To maintain growth, continents, countries, cities, villages and man-made resorts, in other words destinations (Hanna, Rowley, &

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Keegan, 2021; Pike, 2004), need to differentiate themselves one from another. Therefore, destination brand management has become a strategic orientation for many countries, and the destination itself is one of the crucial parts of a holistic tourist experience (Kani, Aziz, Sambasivan, & Bojei, 2017; Baker & Cameron, 2008).

Prayag (2010) defines a destination brand as a unique combination of functional and non-functional characteristics and the value-added products/services that consumers associate with the brand. From a marketing point of view, a destination brand is a combination of physical and emotional experiences communicated to consumers through various elements of a brand, with the aim of facilitating the choice of destination (Lim & Weaver 2014; Lichrou, O'Malley, & Patterson 2008). In contrast, from the consumer's point of view, a destination brand represents a set of perceptions that are the result of the associations they have about the destination and the experience they gain in the destination; delivered under a specific brand name (Balakrishnan, Nekhili & Lewis 2011).

Today, consumers are offered various choices of destination and they choose one which has a positive image and whose image is in line with their perception of themselves (Rossidis et al., 2019). According to Dwivedi, Yadav and Patel (2009), destination image is a set of objective knowledge, impressions, prejudices and feelings a customer has about a certain destination. It represents tourists' expectations of the destination (Leisen 2001), which means that destination branding is critical for a destination to be identified and differentiated in the mind of a potential consumer (Qu, Kim & Im, 2011; Abodeeb, Wilson & Moyle, 2015).

In the modern highly competitive global market, destinations that only rely on the '3S of tourism' (sun, sea and sand) are easily substitutable. One possible way that a destination can stand out from the masses and differentiate itself is by creating a luxury destination brand. Although many papers have been written on topics related to destination branding (Reif, 2020; Iloranta, 2019; Kirant Yozcu, 2017; Kani et al. 2017; Tasci, Gartner & Cavusgil 2007; Mishra 2010; Hankinson 2009; Hudson & Ritchie 2009; Choi & Cho 2016), and whilst luxury as a concept has been present in marketing and branding literature for over two decades (Beverland 2006; Dubois & Duquesne 1993; Mandel, Petrova & Cialdini 2006; Nueno & Quelch 1998), according to the authors' knowledge, there is still a lack of research dealing with building and managing a luxury destination brand.

From an economic perspective, luxury brands can be defined as those whose ratio of functional utility to price is low, while the ratio of intangible and situational utility to price is high (Nueno & Quelch 1998.) From a marketing perspective, luxury brands are frequently defined in terms of their

excellent quality, high transaction value, hedonic value and uniqueness (Lee, Hsu, Chen & Wu 2018; Tak & Pareek 2016; Fionda & Moore 2009). In addition to possible functional attributes, luxury brands are even more sought for their emotional and symbolic values arising from image, social status, exclusivity, high quality, superb performance and premium prices (Krupka, Ozretic-Dosen & Previsic 2014; Beverland 2006). Therefore, luxury brands can be understood as those that consumers buy because of the emotions they associate with them, and functional quality is what is implied.

A luxury destination brand can be defined as a combination of various elements of a brand and offer in the destination, which consumers perceive as luxurious, with the aim of achieving recognition and distinction from other destinations by building a positive prestigious image. A luxury destination brand combines all luxury products, services and experiences, and meets all the needs and desires of the luxury tourist segment (Correia, Kozak & Del Chiappa, 2020; Seo & Buchanan-Oliver 2015). Park, Reisinger and Noh (2010) emphasise that experience is an essential part of a luxury offer, as well as one of the fundamental components of a destination brand. By consuming a luxury destination brand, consumers express their identity and personality to the public (Sung, Choi, Ahn & Song 2015).

To address the deficit in luxury destination brand literature and research, this paper focus on identifying and investigating the factors that influence building and managing a luxury destination brand.

Factors That Influence Luxury Destination Brand Building and Management Accommodation Quality

Accommodation is one of the key components when building a destination brand, since it determines which profile of visitors will choose a specific destination and what type of tourism will develop in the destination (Presbury, Fitzgerald, & Chapman, 2005). Luxury accommodation mostly refers to hotels, and visitors of such hotels expect delivery of superior value in terms of reputation and quality (Belyakova, 2018; Tkaczynski & Rundle-Thiele, 2011). Presbury et al. (2005) indicate that hotels are considered luxurious if they offer superior content and service, while Hwang and Heesup (2014), as well as Giglio, Pantano, Bilotta and Melewar (2020), emphasise quality at room level as an important element that has a positive effect on luxuriousness. Furthermore, high price is an indicator of high-quality accommodation (Maden, Göztaş & Topsümer 2015; Park et al. 2010), but also visitors to luxury accommodation expect delivery of high quality, good location,

pleasant atmosphere, spacious rooms, comfort and internet access (Lu, Berchoux, Marek & Chen 2015).

Based on the aforementioned, it can be concluded that customers will perceive a certain destination luxurious if that destination can offer high quality accommodation, by combining tangible and intangible elements of the overall accommodation offer. Accordingly, accommodation quality will have a positive impact on the luxuriousness of the atmosphere along with the building of a prestigious brand image in the visitor's perception (Hwang & Heesup 2014). Therefore, the following hypothesis arises:

H1: The perceived quality of accommodation has a positive effect on destination brand luxuriousness.

Quality of gastronomy offer

Gastronomy, in the context of the restaurant and food available in a destination, is an important component of the overall tourist experience and has a significant impact on tourist satisfaction and the differentiation of a destination (Correia, Moital, Ferreira da Costa & Peres 2013; Balakrishnan et al. 2011). In the past two decades, the concept of luxury tourism has moved from (traditionally) 5-star hotels and resorts to unique experiences – one of which is unique dining (Batat, 2021; Hanžek & Sušić, 2020; Park et al. 2010). Peng and Huiling Chen (2015) and Chen, Peng and Hung (2015) state that luxurious restaurants are full-service restaurants whose environment (interior design, atmosphere, staff service) and offer (food and beverage) are carefully prepared and presented, and are unique, noticeable and superior in terms of quality. Appetizers that are priced at higher than USD 20 (Chen et al. 2015) are an additional factor in the perception of a luxurious restaurant, as are other guests who give the restaurant a sense of exclusivity (Peng & Huiling Chen, 2015). The fact that gastronomy accounts for about one-quarter of a destination's revenue stresses its importance for the destination (Daries, Cristobal-Fransi, Ferrer-Rosell & Marine-Roig, 2018). As a result of all the aforementioned, gastronomy is one of the attractive factors of a destination and has a great role in creating a destination's brand image (Marine-Roig & Anton Clave, 2016).

Given the above, it can be concluded that the quality of a destination's gastronomy has an influence on customers' perception and the overall experience of the destination as being more or less luxurious, consequently proposing the following hypothesis:

H2: The perceived quality of a destination's gastronomy has a positive impact on its brand luxuriousness.

Premium price

Brun and Castelli (2013) define luxury in the context of high price by saying that luxury goods are worth just because they are expensive, and that luxury applies to all goods/services with a high price, i.e. those with a price that is at least two to three times higher than the low-cost variants. For luxury consumers, premium prices are not an obstacle when buying products and services, as long as they are accompanied by high quality and exclusivity (Maden et al., 2015). The particularity of luxury brands is that they communicate prestige and status and suggest the position of a luxury consumer in society, whereas premium price suggests a brand's exclusivity. Therefore, premium price can be seen as the essence of luxury, highlighting the characteristics of rarity and exclusivity not only of the brand, but also its user (Seo & Buchanan-Oliver, 2015). Additionally, premium price is important for those who are concerned about their privacy during their stay in the destination, ensuring a certain level of privacy (Park et al., 2010). From the foregoing, the following hypothesis arises:

H3: A perceived high price has a positive impact on the luxuriousness of a destination brand.

Service quality

In today's highly competitive environment, service quality helps to differentiate a company from the competition, indicates its excellence (Hwang & Heesup, 2014) and is an important factor in building brand image (Lu et al., 2015). Service quality can be defined as the difference between the expected and delivered service (Hwang & Heesup, 2014), as it depends on the needs and expectations of customers and whether the level of provided service will meet their needs and expectations. It is one of the most important factors that influence customers' satisfaction and perceived values (Cronin & Taylor, 1992; Petrick & Backman, 2002). In cases where a destination is striving to build a luxury brand image, the full range of services of the destination (restaurants, hotels, shops, public services, etc.) should be at a high level, since tourists who are willing to pay a premium price expect a premium service quality. Furthermore, in addition to the fact that it creates a destination brand image, service quality influences tourists' decisions whether or not to return to a destination (Kim, Holland & Han, 2013).

Delivered high service quality among customers triggers a sense of value and is an essential part of a luxury brand (Hwang & Heesup, 2014), therefore raising the following hypothesis:

H4: Perceived service quality has a positive impact on the luxuriousness of a destination brand.

Luxury shopping

Following accommodation, tourists' biggest expenditure is shopping, which accounts for 30% of all tourist activities (Kinley, Forney & Kim, 2012). Shopping is often cited as a significant, sometimes primary, reason for travelling and is associated with emotional motives such as relaxation, enjoyment and entertainment (Henderson, Chee, Mun & Lee, 2011). Balakrishnan (2009) stresses that shopping is becoming the number one leisure time activity, whereas Park et al. (2010) point out that many tourists travel abroad in order to purchase luxury products. Luxury stores are most commonly located in carefully selected tourist destinations, which benefit from the fact that they offer luxury shopping centres and luxury brand districts. Due to their convenience, recognised standard on a global scale, safety, cleanliness and service quality, they are popular among luxury tourists (Park et al. 2010).

Given the effort involved when choosing a destination as a location for luxury stores, the possibility of luxury shopping suggests the existence of luxury elements, which is ultimately an indicator of a luxurious destination itself. Therefore, this raises the following hypothesis:

H5: The possibility of luxury shopping has a positive impact on the luxuriousness of a destination brand.

Unique experience

The reasons for choosing a particular destination vary from individual to individual, but each of them is seeking something unique at the destination (Tkaczynski & Rundle-Thiele, 2011). Trends in the past ten years have shown that luxury goes beyond product and services – today it includes experience and authenticity (Park et al. 2010). Factors by which a destination can build a unique experience are culture, heritage, history, art or unique natural beauties (Dwivedi et al., 2009; Konecnik & Go, 2008). Alongside the aforementioned factors, what influences a unique experience are factors such as entertainment and recreation, for instance, nightlife, golf courses, casinos or wellness centres, i.e. a form of product or service that creates an exotic experience among consumers (Park et al., 2010).

According to Hwang and Heesup (2014), the uniqueness of a product or service – in this case the uniqueness of natural and cultural attractions, recreational and many other activities – is the key criterion according to which brand, in

the context of this paper, a destination brand, is perceived prestigious. In accordance with all of the above stated, the following hypothesis is proposed:

H6: A unique experience in a destination has a positive impact on the luxuriousness of a destination brand.

Transportation infrastructure

Transportation infrastructure is indispensable for tourism and a key determinant of destination development, therefore a developed infrastructure, such as airports and roads, increases the attractiveness of a destination (Dwivedi et al., 2009; Mostafavi Shirazi & Puad Mat Som, 2011). Convenient transportation not only means that a destination must be near an international airport, but is also observed in terms of the duration of the journey to and from the airport to the final destination, and the possibility of access to sites of interest, such as shopping centres and other tourist attractions (Huang & Chiu, 2006). Therefore, convenient transportation can be defined as effective transportation that ensures tourists have access to a reasonable level of transportation service.

A well-connected destination is one that has easy access, is accessible from a tourist's country of origin and has developed local transportation infrastructure (Balakrishnan et al., 2011). Hence, the accessibility, in the context of a tourist destination, can be seen as a dimension of the quality of life (Tóth, Dávid & Vasa, 2014). According to Hwang and Heesup (2014), since quality of life is considered one of the key determinants of luxury, it can be concluded that transport connectivity is an important factor when building a luxury destination brand. In accordance with the above, the following hypothesis is proposed:

H7: Developed transportation infrastructure has a positive impact on the luxuriousness of a destination brand.

Celebrity

A celebrity is a person who enjoys public recognition, as the general public attaches characteristics and distinctive attributes to them, such as attractiveness and reliability (Um 2013), and they therefore play an important role in marketing activities. Celebrities are an important source of information and have an influence on customers' perceptions, thus magazines such as *In Style* and *Vogue*, as well as numerous social media platforms, show famous and successful people when consuming luxury brands, thereby encouraging customers to imitate them (Seo & Buchanan-Oliver, 2015). Marketing experts expect that positive feelings toward celebrities will transfer to the brand that this celebrity uses and/or endorses

(Ozretic-Dosen, Skare & Krupka, 2011). Diesbach (2012) points out that celebrities promote a destination and create an image of a luxury brand if they themselves are tourists in that destination. In that way, a spill-over effect of perceived luxury from celebrity to the destination brand occurs.

Today, as well as in the past, those aspiring to luxury status want to stand out from the crowd and thereby often choose celebrities as their role model, who, because of their status, behaviour and consumption of luxury brands, attract public attention (Wong & Lai 2015). To conclude, if a destination is associated with a famous person who has important, attractive attributes and symbolic values to which luxury customers aspire, consequently it will have a positive impact on the luxury destination brand, thus the following hypothesis can be proposed:

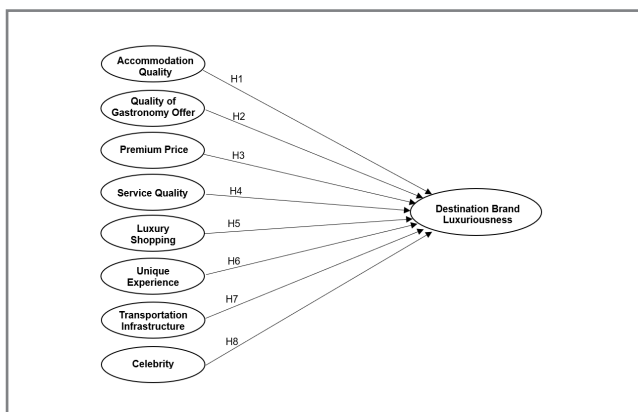
H8: Celebrities as brand destination users have a positive impact on the luxuriousness of a destination brand.

Methodology and Results

Conceptual framework

According to brand management, destination branding and luxury branding literature, the conceptual framework (Figure 1) was defined to analyse the impact of the quality of accommodation and gastronomy, premium price, service quality, luxury shopping, unique experience, transportation infrastructure and celebrity on the perceived luxuriousness of a destination brand. Those factors were recognised as antecedents of luxury destination brand building both from academic and business points of view. A proposed conceptual framework was developed to research the hypotheses it outlined.

Figure 1. Conceptual framework and research hypotheses



Sample and procedure

To test the hypotheses, a survey was conducted on a sample of 619 respondents from 16 countries (Australia, Austria, Bosnia and Herzegovina, Croatia, Finland, France, Germany, Italy, Norway, Poland, Serbia, Slovenia, Spain, Sweden, the United Kingdom and the USA) who travelled at least 10 times in the last 30 months. The respondents were approached via the LinkedIn and Facebook platforms. A self-administered highly structured questionnaire was used to collect the data. The respondents were asked to think about the last destination they visited and to express their level of agreement with 38 items (see Table 1) on a 5-point Likert scale (1 – Strongly disagree; 5 – Strongly agree). Existing validated scales originally in English were used, which were then translated and tested using ‘back-to-back’ translation (English > OtherLanguage > English). Finally, the questionnaire was distributed in six languages – English, German, Italian, Spanish, French and Croatian.

Additionally, respondents had to answer five demographic questions about gender, age, nationality, education, and monthly household income. In terms of gender, 217 (35.06%) respondents were male, while 402 (64.94%) were female. Of all the respondents, 288 (46.53%) of them were aged 18 to 25, 216 (34.89%) were between the age of 26 and 40, 80 (12.92%) respondents were aged between 41-55, while 29 (4.69%) of them were aged between 56 and 65, and only 6 (0.97%) were 65 and over. In terms of their education level, most of them (255; 41.20%) have a Master’s degree, followed by a Bachelor’s degree (190; 30.69%), while others (150; 24.23%) had completed college courses, PhD degrees (17; 2.75%), primary school education (4; 0.65%), and a postgraduate degree (3; 0.48%). In terms of monthly household income, the largest group of respondents (121; 19.55%) live in a household which has a monthly income of between EUR 901 and EUR 1,500, followed by households with a monthly income of between EUR 1,501 and EUR 2,000 EUR (111; 17.93%) and less than EUR 500 (91; 14.70%). Of the respondents, 86 (13.90%) live in a household with a monthly income of between EUR 501 and EUR 900, 80 (12.92%) between EUR 2,001 and EUR 3,000, 57 (9.21%) between EUR 3,001 and EUR 4,000, while 47 (7.59%) of respondents live in a household with a monthly income of more than EUR 5,500. The smallest group of respondents (26; 4.20%) live in a household with a monthly income of between EUR 4,001 and EUR 5,000.

Results

A confirmatory factor analysis (see Table 1) shows that for each variable all factors have loadings greater than 0.5 and a Cronbach’s alpha greater than 0.7, which are the levels

recommended by Hair, Babin, Anderson and Black (2018). The model was tested using a regression analysis with factors explaining 56.20% of the dependent variable Destination Brand Luxuriousness ($R^2 = 0.562$; $\text{sig} = 0.000$).

The model shows that the variables *Accommodation Quality* ($\text{sig} = 0.743$; $\text{VIF}=2,195$) and *Premium Price* ($\text{sig} = 0.461$; $\text{VIF}=1,414$) do not have a significant impact ($p>0.05$) on the extent to which a tourist perceives a destination's luxuriousness. This implies that H1 and H3 are rejected. Such a result may be a reflection of the fact that each destination (regardless of its luxuriousness) offers a diverse set of options in terms of accommodation quality and a diverse set of price levels to suit tourists' budget and preferences. Therefore, it can be argued that these two do not depend on the destination itself (and its luxuriousness), but rather on customers' preference and choice within the destination, which they decided upon after having chosen the destination.

Transportation Infrastructure has a negative and significant ($p<0.05$) impact on perceived Destination Brand Luxuriousness ($\beta = -0.091$; $p = 0.010$; $\text{VIF}=1,652$), thus rejecting H7. While better transportation infrastructure enables greater accessibility of the destination, greater accessibility implies more uniformly distributed tourists can visit the destination, thus creating a distribution of tourists and making the destination perceived as 'mass market' destination.

The other hypotheses are accepted. The most significant impact on perceived Destination Brand Luxuriousness is exhibited by the association of the destination with *Celebrity* (H8; $\beta = 0.389$; $p = 0.000$; $\text{VIF}=1,757$) and the availability of *Luxury Shopping* (H5; $\beta = 0.237$; $p = 0.000$; $\text{VIF}=1,943$). These two variables imply a transfer of brand perceptions between celebrities and luxury fashion brands on one side, and destination brand on the other.

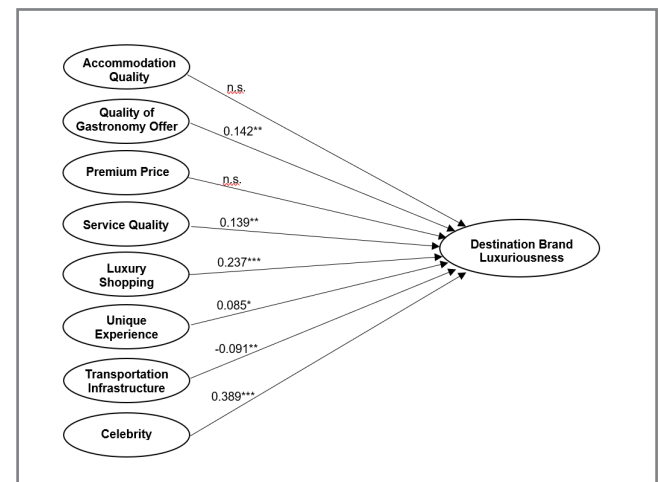
Quality of Gastronomy Offer (H2; $\beta = 0.142$; $\text{sig} = 0.003$; $\text{VIF}=3,080$) and *Service Quality* (H4; $\beta = 0.139$; $\text{sig} = 0.003$; $\text{VIF}=2,947$) positively and significantly ($p<0.05$) influence perceived Destination Brand Luxuriousness, thus confirming H2 and H4. Service and gastronomy quality are expected to correlate with the type of tourists the destination is targeting. These two do not have distribution across options within a destination but are rather a characteristic of a destination with similar options across the whole destination. In other words, restaurants and service workers are expected to deliver great quality in a more luxurious destination. They are 'destination-specific', thus by selecting a destination, tourists select a certain set of options in terms of quality of gastronomy and service quality.

Unique Experience (H6; $\beta = 0.085$; $\text{sig} = 0.018$; $\text{VIF}=1,672$) significantly ($p<0.05$) and positively influences perceived

Destination Brand Luxuriousness. Uniqueness of experiences, similar to quality of gastronomy and service quality, is 'destination-specific', and therefore exhibits the same type of influence where destinations that can provide more unique benefits are likely to be perceived as more luxurious. These three variables are 'destination-specific' and have a positive impact on perceived Destination Brand Luxuriousness.

The model was tested using linear regression ($R^2 = 0.562$; $p = 0.000$). The results are shown in Figure 2.

Figure 2. Luxury Destination Brand Model



Note: * $p<0.05$; ** $p<0.01$; *** $p<0.001$; n.s. = non-significant

Discussion and Implications

This research contributes to marketing and brand management literature by identifying and investigating factors that help in building and managing a luxury destination brand. There have been lot of studies that focused on destination branding and luxury branding, however, few of them dealt with luxury destination brand building phenomena. Several theoretical and managerial implications arise from the findings of this research.

Theoretical implications

The first important implication is that celebrities and the availability of luxury shopping are two factors that most affect the luxuriousness of a perceived destination brand. Famous people, such as actors, singers, athletes, models and successful business people, have characteristics that are appealing to many people and lifestyles that a lot of people aspire to but cannot afford. The products and services they use are considered to be luxury brands and the destinations they visit also match their image and lifestyle (Seo

Table 1. Measures and descriptive statistics

	Mean	S.D.	CFA Factor loading	Cronbach α	Literature
Accommodation quality					
The rooms are spacious in this destination.	3,836	1,125	0.801	0.890	Presbury et al. (2005); Tkaczynski & Rundle-Thiele (2011); Hwang & Heesup (2014); Maden et al. (2015); Park et al. (2010); Lu et al. (2015)
The beds are comfortable in this destination.	3,847	1,064	0.837		
A range of toiletries are available in the bathroom.	3,636	1,255	0.842		
The rooms are equipped with modern technology in this destination.	3,444	1,210	0.823		
The rooms are well designed in this destination.	3,419	1,235	0.867		
Quality of gastronomy					
This destination has excellent food.	3,803	1,127	0.832	0.909	Correia et al. (2013); Balakrishnan et al. (2011); Park et al. (2010); Peng & Huiling Chen, (2015); Chen et al. (2015); Daries et al. (2018)
This destination offers a wide selection of food and beverages.	3,768	1,158	0.814		
There are many high-quality restaurants in this destination.	3,742	1,128	0.809		
Restaurants in this destination are beautifully designed.	3,723	1,045	0.839		
The restaurant staff in this destination are professional.	3,845	0.980	0.837		
The restaurant staff can provide necessary information about the food and drinks.	3,839	1,008	0.794		
This destination has better restaurants than other destinations.	3,172	1,058	0.711		
Premium price					
Products and services are expensive in this destination.	3,248	1,227	0.915	0.878	Brun & Castelli (2013); Maden et al. (2015); Seo & Buchanan-Oliver (2015); Park et al. (2010)
Prices are significantly above expectations in this destination.	3,163	1,192	0.863		
Prices are higher than the prices in other destinations.	3,164	1,203	0.922		
Service quality					
Service quality is very high in this destination.	3,606	1,057	0.878	0.841	Hwang & Heesup (2014); Lu et al. (2015); Hwang & Heesup (2014); Cronin & Taylor (1992); Petrick & Backman (2002); Kim et al. (2013)
People working with tourists are very professional and can answer my questions.	3,787	1,043	0.898		
I think that the service quality is better than the service I would receive in other destinations.	3,374	1,042	0.842		
Luxury shopping					
This destination offers a great selection of famous luxury brands.	3,126	1,337	0.941	0.917	Kinley et al. (2012); Henderson et al. (2011); Balakrishnan (2009); Park et al. (2010)
There are various shops with an excellent range of products.	3,230	1,280	0.935		
The range of famous luxury brands is better than in other destinations.	2,966	1,315	0.907		

Table 1. Measures and descriptive statistics (cont.)

	Mean	S.D.	CFA Factor loading	Cronbach α	Literature
Unique experience					
This destination is unique.	3,855	1,144	0.853	0.859	Tkaczynski & Rundle-Thiele (2011); Park et al. (2010); Dwivedi et al. (2009); Konecnik & Go (2008); Hwang & Heesup (2014)
This destination offers something that no other destination can offer.	3,643	1,181	0.866		
This destination offers 'something different'.	3,686	1,160	0.877		
This destination is unique due to its historical monuments.	3,557	1,252	0.691		
This destination is unique due to its natural beauty.	3,821	1,059	0.666		
This destination offers a unique urban experience (architecture, entertainment).	3,506	1,181	0.686		
Transportation infrastructure					
This destination is easily accessible.	3,792	1,037	0.809	0.877	Dwivedi et al. (2009); Mostafavi Shirazi & Puad Mat Som (2011); Huang & Chiu (2006); Balakrishnan et al. (2011); Tóth et al. (2014); Hwang & Heesup (2014)
This destination is well connected.	3,804	1,072	0.877		
Transport links within this destination are good.	3,688	1,094	0.898		
Transport links to different attractions/locations in this destination are good.	3,651	1,034	0.830		
Celebrity					
Celebrities visit this destination.	3,243	1,270	0.903	0.917	Um (2013); Seo & Buchanan-Oliver (2015); Ozretic-Dosen et al. (2011); Diesbach (2012); Wong & Lai (2015)
Trendsetters are frequent guests of this destination.	2,995	1,187	0.934		
It is known as being a trendy destination for the rich and famous.	2,881	1,399	0.923		
Celebrities make this destination more popular.	3,061	1,358	0.847		
Destination brand luxuriousness					
I perceive this destination as a luxury destination.	3,031	1,297	0.938	0.941	Beverland (2006); Dubois & Duquesne (1993); Mandel et al. (2006); Nueno & Quelch (1998); Lee et al. (2018); Tak & Pareek (2016)
When describing this destination, I would mention luxury as one of its characteristics.	2,901	1,338	0.954		
Staying in this destination provides a sense of luxury.	2,913	1,333	0.947		

Note: In addition to CFA (confirmatory factor analysis) for previously developed and validated scales; EFA (exploratory factor analysis) was performed using items for all independent variables with results exhibiting no significant cross-loadings, KMO=0,941 and Barlett's test of sphericity: Chi-square=16429,287; df=595; Sig=0,000.

& Buchanan-Oliver, 2015). Therefore, there is a spill-over effect between celebrities' brand image to a destination's brand image (and vice versa). This has been particularly prominent in recent years with the growing impact of social network influencers. Luxury brand management literature stresses the importance of location (where luxury brands are sold) as one of the most important factors in building and maintaining a luxury image (Tak & Pareek, 2016). Therefore, the availability of luxury shopping at a destination signals that it is a prestigious location and again there is a spill-over effect of luxury image from products/service

brands to the destination brand. Celebrities and the availability of luxurious shopping have the greatest impact on building and managing the luxuriousness of a destination brand because they can make an association and transfer the experience of luxury.

This research also reveals that the perceived luxuriousness of a destination brand is not influenced by premium price and accommodation quality, which was one of the biggest surprises. Although premium price is one of the luxury market's main characteristics (Brun & Castelli, 2013), it

seems that it is not that important for luxury destination brand building in comparison to some other characteristics. A look at the results reveals that celebrities and the availability of luxury shopping have the strongest influence on the luxuriousness of a perceived destination brand; one could argue that customers get used to high prices and/or that they are willing to pay more than they have previously. When talking about destination marketing and brand management, accommodation quality is one of the key components that needs to be taken into consideration (Presbury et al., 2005). However, according to this research, it is not significant for the luxuriousness of a destination brand. The reason for this can be found in the fact that accommodation represents a substitute short-term 'home' for customers, hence they expect high-quality. Another reason, perhaps an even stronger one, is the development of internet services/platforms such as Booking.com, Kayak and, especially, Airbnb. They have enabled that in each destination, regardless of the luxury image it wants to project, a 'large' part of the accommodation available is not considered to be luxurious (the possibility of booking less spacious rooms at a low price which is opposed to the perceptions and description of quality accommodation), or that premium price and accommodation quality are something that is considered *condicio sine qua non* for building a luxury destination brand and, as such, is expected to be as such.

Finally, another surprising finding is that transportation infrastructure has a negative impact on the perceived luxuriousness of a destination brand. According to Henderson (2009), transportation infrastructure is indispensable for tourism as one of the key factors for destination development, but at the same time developed transportation infrastructure, such as airports and roads, increases the attractiveness of a destination. In this case, increasing the attractiveness of a destination is equivalent to wider availability, which ultimately leads to mass tourism. In addition, the growth in low-cost airlines and their development mean that many tourism destinations are easily and cheaply available (one of the reasons why premium price is not a significant factor for the perceived luxuriousness of a destination brand), thus encouraging mass tourism. The characteristics of luxury brands are rarity, elitism and uniqueness (Walley, Custance, Copley & Perry, 2013), which is opposite to the features of mass tourism.

Managerial implications

To build a luxury destination brand, all stakeholders (government, companies, people, etc.) need to be coordinated and communicate the same associations and image. Without these factors, it is practically impossible to create a luxury destination brand.

From a managerial perspective, perhaps the most important implication is that transportation connectivity does not lead to the creation of a luxury destination brand. Although, transportation connectivity means a better standard of life for local people, at the same time it means that the destination is easily accessible for a lot of people. This is extremely important for local government when deciding about the number of flights and, especially, attracting low-cost carriers to the destination.

Another important implication, again for local government as well as for companies, is that service quality is an important factor in building a luxury destination brand. This means that local governments should be very attentive when employing and managing people who are in direct contact with tourists (public sectors such as public transportation, medical services, police, tourism-related offices, etc.). In contrast, service quality in restaurants, hotels, entertainment premises, department stores etc. should also be at a high level because the luxury tourist segment demands it.

Finally, an implication that is again directed at both governments and companies is that the unique experience tourists receive at a destination forms their perception about the luxuriousness of a destination brand. This means that companies, with government help, need to create an atmosphere in the destination (Michelin star restaurants, availability of luxury shopping, entertainment and sport activities, cultural and natural attractions) that will, in customers' minds, create unique memories which will turn into the perception of a luxury destination brand.

Conclusions

To conclude, this research indicates that the underlying principle behind whether or not a certain factor is important for the perceived luxuriousness of a destination brand lies in *the extent to which a customer can create/perceive a connection between brands*. The strongest influence is by factors which enable direct brand luxury transfer (availability of luxury shopping - H5 and association with celebrities - H8). Further, the strong influence is by *factors which are expected to have a limited distribution of choices once a destination is selected* (i.e. factors which expect to have a co-determination with the selection of the destination – H2 and H4, followed by H6). *No influence was exhibited by the factors which have a distribution of options, regardless of the choice of destination that a tourist makes* (rejected H1 and H3).

Finally, luxury destination brand management is an important area in which not enough research has been done to date, thus

this paper helps to fill the gap. However, due to an increasing number of tourists and intensive global competition, as well as the 'new normal' caused by the COVID-19 pandemic, it is necessary to continue doing research in this area.

This research has a couple of limitations that can be seen as opportunities for future research. Given that this is one of the few papers that deals with an investigation of the factors that influence building and managing a luxury destination brand, this study should be replicated and additional factors should be included, such as *sense of a security* in the sense of physical security as well as health considered security in the destination which could play a crucial role in the future.

Additionally, it would be interesting to see whether a destination's country of origin and its level of development play a role in the perceived luxuriousness of destination brand, and also to investigate whether there is a difference between respondents' perceptions if they are from developed or developing countries, in terms of their cultural background, purchasing power, etc. Finally, it would be beneficial to research how destination brand luxuriousness influences consumers' loyalty with *self-perception* as a moderate variable. Doing so could provide very useful insights for academics, and even more so for practitioners when defining products/services and marketing communication.

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Dejavniki, ki vplivajo na dožemanje luksuznosti destinacijske znamke

Izvleček

Glavni namen tega članka je identificirati in raziskati dejavnike, ki vplivajo na izgradnjo in upravljanje luksuznih destinacijskih znamk. Na podlagi pregleda literature smo identificirali osem ključnih dejavnikov: kakovost namestitve, kakovost gastronomske ponudbe, višji cenovni razred, kakovost storitev, luksuzno nakupovanje, edinstvena izkušnja, prometna infrastruktura in prepoznavnost. Raziskava je bila izvedena na vzorcu 619 anketirancev iz 16 držav. V raziskavi smo uporabili faktorsko in regresijsko analizo. Rezultati so pokazali, da imata prepoznavnost in dostop do luksuznega nakupovanja najpomembnejši vpliv na izgradnjo luksuzne destinacijske znamke, medtem ko je vpliv kakovosti namestitve in višjega cenovnega razreda nepomemben, prometna infrastruktura pa ima, zanimivo, negativen ter pomemben vpliv. Priročen vzorec in možnost izpuščanja nekaterih dejavnikov (npr. varnosti) iz raziskave predstavljata glavne omejitve raziskave. Naša raziskava prispeva k literaturi o trženju in upravljanju blagovnih znamk, saj identificira in raziskuje dejavnike, ki pomagajo pri izgradnji in upravljanju luksuzne destinacijske znamke, čemur se do sedaj v literaturi ni posvečalo pozornosti.

Ključne besede: upravljanje blagovnih znamk, luksuz, destinacija, dejavniki izgradnje, znamčenje luksuza