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CONTEMPORARY LUXURY TOURISM AND EMERGING NEW DESTINATIONS: THE CASE OF IRAN

Współczesna turystyka luksusowa i nowe wschodzące kierunki: przykład Iranu

Abstract: This article aims to explore the concept of contemporary luxury tourism and try to associate it with the Iranian context. More specifically, feasibility and potential study of luxury tourism in Iran in terms of rarity and uniquely by considering the cultural factors. This paper investigates, the concept of luxury has changed over time. In addition, will stress on the importance of recognizing the potential of luxury travel and its diversity in Iran and bringing these topical international issues to a wide audience.

The luxury travel market raised new demands for emerging destinations like Middle Eastern and South Asian countries. Furthermore, in recent years a large number of new destinations like Iran have emerged around the world and have started to compete and generate income in the international tourism market. According to analysis data in this paper, Iran like most countries in the Middle East has a natural competitive advantage in global luxury tourism. Thanks to the current conservative policy all its aesthetic aspects have been under protection for decades. However, the potential of this competitive advantage has not been reached.

The research design in this paper consists of three stages to ensure rigorous scale development. The strategies, processes, techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create a better understanding of this topic is driven from materials in the field of luxury and luxury travel during the last decades. In order to reduce this limitation, the researcher tried to have a generalization review. Data for this study were obtained during the COVID-19 crisis.

Key words: luxury tourism; potential; attraction; destination; Iran

INTRODUCTION

For many years the term luxury goods were always associated with other status words such as high prices and rarity, and despite the passage of time, there is no unit definition. Since the new

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century, luxury as an issue has returned to be used in monographs and journalistic articles in discussion regarding dissipation and a bad taste or the financial inequality of present-day society. Luxury has become an ordinary point of conversation, both conceptually and materially. Some talk about the democratization of luxury, an expression that refers to the fact luxury has clearly expanded its meaning and the forms through which it manifests itself. We also note that the topic still divides us, and appears morally revolting to some, even though they might themselves find pleasure in art, crafts libraries, wines, and property (MacNeil, Riello 2016).

At this stage some crucial questions may raise: Does the concept of luxury change in various societies? What is luxury and luxury tourism and what these concepts might have been for a person in the fifteenth rather than the twentieth century? Ultimately, has the concept of luxury tourism changed over time?

Luxury tourism is a multidimensional and broad concept that requires attention in academic research (Iloranta 2020). In order to achieve sufficient results, the main structure of present research is based on three classified sections.

The first segment of this study gives a comprehensive review of luxury and luxury tourism to both consumers and producers in this field. It objectively describes and contextualizes luxury and luxury tourism. In the past 20 years, the consumer market has been affected by the transition to an experience-based economy (Atwal, Williams 2009), meaning that rather than just buying products or services, consumers are searching for experiences to fulfill their needs and desires. The same phenomenon is visible with luxury consumption as a significant trend in the luxury market is the consumers' shift from product consumption towards experiential luxury consumption (Cristini, Kauppinen-Räsänen, Barthod-Prothade, Woodside 2017). Furthermore, the concept of luxury has evolved and become multifold and besides the traditional understanding of the concept is a new form of luxury, that is, unconventional luxury (Wallpach, Hemetsberger, Thomsen, Belk 2020).

The second segment has been focused on the volume and trend of luxury tourism on a global scale and continuously, the volume of international tourist arrival in Iran. It gives an overview of global academic research on luxury tourism by reflecting on the current luxury tourism trend in Iran and the world.

The last section brings together mentioned concepts in the first and second segment and draw together the results of the content analysis and introduce the feasibility, capacity and potential of luxury tourism in Iran. The current study offers a perspective on the research which contributes to our comprehension of contemporary luxury tourism and emerging new destinations like Iran. In so doing, it brings new value to the academic discussion on experiential luxury, luxury services, and luxury tourism and argues that luxury tourism research is currently lacking studies on the new luxury experiences with different cultural and geographical origins. Finally, this research examine: pure luxury services are a rapidly growing sector where the nature of luxury has shifted towards experiences and intangible things (Kapferer, Bastien 2012).

Luxury is contingent: it depends on what society assumes to be 'beyond' the expected. Very often this is a fruit of not mere cultural relativism but of an interplay between society expectation, availability, and capacity of producing material things and services (Iloranta 2019). Cruise ships were until the last decades a great luxury and an item of enormous expense. The first commercial airliners were also much more luxurious than today. This was due to the fact, before the growth in the international tourism system and the ability to travel frequently. Thus, the frequency and availability of the products in the tourism market changed the pattern of luxury tourism. Tourism tours were something unexpended as expensive. Today they can be purchased on the internet everywhere at lower prices. The introduction of jumbo jets has made traveling by air more affordable, offering global travel to the masses.

Luxury, according to Merriam-Webster's Dictionary, is a state or condition of abundance or great ease and comfort; it is something adding to pleasure or comfort but not absolutely necessary. Luxury is an abstract concept as its meaning is determined by personal and interpersonal dimensions (Correia, Kozak, Reis 2014).

RESEARCH METHOD

Since there hasn't been done enough and efficient research in the field of luxury tourism in Iran and in the global level, there have been some difficulties to collect the data. Although, luxury has been studied by a number of authors in the past, most studies were concerned with developing study. A study of luxury production and consumption of the market is scarce. Data for this study were obtained in 2 various periods; firstly, during the first peak of COVID-19 and the beginning of the crisis, the point at which tourism demand and business operations begin to fall rapidly. Secondly, after the starting of global COVID-19 vaccination.

This study analyzed a sample of 56 sources using content analysis and a systematic literature review, and then synthesized the theoretical research streams of luxury tourism into a framework. The strategies, processes, techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create better understanding of this topic are driven from materials in the field of luxury and luxury travel. The materials collected during the last decades and published as books, chapters in book, papers, manuscripts, news and on the official websites.

This method/technique was chosen because it opens the aesthetic debate and provides ways of qualification and recognition of competence and luxury tourism capacity in emerging countries with a spirit of both modernism and traditionalism. In this case, it was difficult, if not impossible, to identify the national and international resources that had either not sufficient research or gone ahead with the traditional concept of luxury/tourism. In order to reduce this limitation, the researcher tried to have a generalization review. The data were collected between June, 2020 and April, 2021.

The research design consisted of three stages to ensure rigorous scale development. Due to the lack of deep perception of luxury and luxury tourism, a comprehensive review has been conducted in the first stage. The first-round was designed to gather data from a worldwide reference to identify the structure and related factors. first segment with an emphasis on changing and transferring concepts over time, trying to introducing, recognizing, and developing mentioned concepts.

The second segment has been focused on the volume and trend of luxury tourism in a global scale and continuously, the volume of international tourist arrival in Iran. Since the luxury trips and related concepts are tied to many notions like "superior", "convenient", and "engaging" and hard to define and measure at the second stage, the data has been collected from national and international first-hand sources and references. The final stage draws together the results of the content analysis and introduce the feasibility, capacity and potential of luxury tourism in Iran in various terms.

RESEARCH RESULTS

Concept of luxury

"How can 'luxury' be defined?" Is luxury an immutable concept or a flexible one? The concept of luxury brands is a very controversial issue for the modern world of goods and services consumption. The concept of luxury is difficult to define, because not only is a luxury product difficult to identify but is also hard to understand concepts such as premium products. The term luxury goods are almost always associated with other status words such as high prices, high quality, aesthetics, craftsmanship, innovation, and rarity (Mintel International Group Limited 2005). However, this is a very strict luxury concept and it is very restrictive, moreover, it doesn't really represent the term "luxury" nowadays. A luxury brand or product isn't only represented by its uniqueness and exclusiveness, it also comes together with creativeness and the emotional value perceived by its consumers (Cassaniti 2015–2016).

Luxury concept is considered a refinement of basic human needs, but can also be a subjective concept changing from person to person. For example, sugar in Western Europe began as luxury

goods, but lost their luxury status and became goods for mass consumption. Features of the perception of what is a necessity and what is luxury does vary from society to society despite the apparent nature of basic human needs (MacNeil, Riello 2016). This idea could be transferred to social perception being able for different people to disagree about luxuries or not.

Luxury is a constantly evolving concept. Today this seems to be the status quo of a market that is not only in economic growth, but above all defines the dominant mainstream culture. The change was sudden and probably it is an evolution that will continue to change shape and spread like wildfire to cultural and economic sectors still anchored to traditional values and mechanisms.

At this point, based on the argument mentioned above, we can analyze the figure of the new consumer and the trends that will have a major impact on their behavior in the luxury sector. The crucial changes of the last decade (intense development of emerging economies, the advent of globalization, the spread of new information technologies, the process of aggregation of many large international groups, *etc.*), together with the economic crisis of 2008–2009, generated the birth of “the new global consumer” in the luxury market (Cassaniti 2015–16).

The contemporary concept of luxury tourism

In the last decades, luxury has become the synthesis of the best of fashion, art, culture, and travel. Leisure travel was principally a privilege of the rich, and luxury was often the standard. Today, the change happened rather quickly, thanks to the digital non-mediated culture, in which social media has become the primary means of communicating and understanding the world. This allows redefining luxury tourism and making it also accessible to a country, which until now, has not dealt with it.

After many years of luxury tourism experience in the rich class of human society, the concept of what can be considered a luxury and what is not has changed. Even if contemporary Luxury continues to have to do with the rarity of an object, but today exclusivity does not concern only the price, it concerns more the culture, the community, and the worldview that individuals can express through that object or – for example – that exclusive trip. As a result, a trip is exclusive, because it is first of all extraordinary (Iloranta 2019). The new world of luxury tourism can be explored and analyzed from another perspective; the aesthetic view of luxury tourism today simply means doing things very well which is not relevant to the high price.

The growing number of affluent clients in tourism shows that the luxury segment is developing and expanding all the time. Currently, luxury travel can be all about emotions. The differentiating factor lies not in the product, but the mindset of the traveler (Intel International Group Limited 2005). As mentioned previously, luxury has become more about the ability to realize a passion, not just about expensive and trendy brand names. This is especially true for travel industry products and services.

The discovery of new destinations is directly connected by the new characteristics of this travel customer. According to *ILTM*, the leading trend of luxury tourists is characterized by travelers who know exactly what they want, and are not looking for ostensible luxury anymore; they want discrete luxury and trips with a focus on authentic experiences. As luxury in tourism approaches a more inconspicuous form of consumption, authenticity is the desired value, signifying more profound, more meaningful experiences. Therefore, luxury in tourism means enrichment, personal development, and self-actualization (Brown, Hudson 2011).

Global trend of luxury tourism

The global luxury travel market size was valued at \$945.6 billion in 2019 and is expected to grow at a CAGR of 11.1% during 2021–2027 to reach 1,198.3 billion in 2027 (Allied Market Research 2021). The number of middle and wealthy clients in tourism is growing rapidly and the luxury travel market also follows the trend. According to *The New York Times*, luxury travel is now the fastest-growing segment of the travel industry. According to the *World Tourism Organization* (UNWTO 2011),

luxury tourists represent three percent of all tourists who circulate in the world. The spending of these tourists, represents twenty-five percent of the money in circulation on the international travels market, moreover according to the *International Luxury Travel Market* they spent eight times more than usual tourists per day (ILMT 2011).

Global consumers are becoming more affluent, stimulating an increasing trend of disposable income invested in experiences vs. material goods. Consumers' desire for life experiences leads to increased demand for travel. The latest global research confirms that global travel is growing faster than the global gross domestic product (GDP). Luxury travel is growing even more rapidly as consumers expect more rewarding and luxurious travel journeys (Giacobbe, Sattel 2016). Within the continuously growing industry, luxury tourism shows a growing trend that is confirmed by the data from the report *Shaping the Future of Luxury Travel 2030* (fig. 1).

The projections within this report state that in the future it is expected that the growth rate of outbound luxury trips in the following ten-year period will experience an increase of 6.2%, which exceeds by one third the projections for the overall travels +4.8% (Amadeus 2016). Traveler trend research suggests that Europe, North America, and Asia all have growing ultra-wealthy classes that are increasingly driving global investment in the luxury travel industry. When it comes to innovation in luxury products, the Middle East is leading the way. In the Middle East, luxury travel and overall travel will grow at similar rates from 2015–2025 (Alkier 2019).

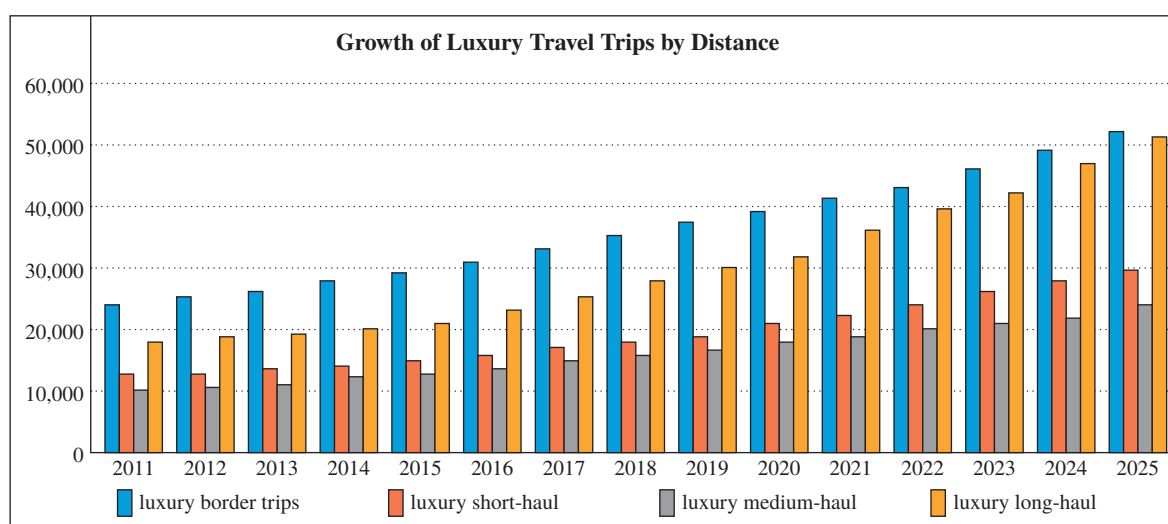


Fig. 1. Growth of luxury travel trips by distance

Ryc. 1. Przyrost podróży w ramach turystyki luksusowej według odległości

Source / Źródło: Tourism Economics Shaping the Future of Luxury Travel Future Traveller Tribes.

*Luxury border trips: The summary/total of travel between countries that share a border; divided in 3 segments (long, short and medium) by distance.

How the COVID-19 pandemic change luxury tourism?

The 2019 novel coronavirus (COVID-19) outbreak is projected to have adverse consequences on the global tourism and hospitality industry. While the long-term effects of COVID-19 are yet to be determined, its immediate impact on retailing is significant (Roggeveen, Raj Sethuraman 2020). The Covid-19 pandemic inflicted massive losses on the luxury goods sector. The reasons for the sharp decline in the sector are many. The drop in demand is explained by travel restrictions, the inability

to demonstrate new purchases of luxury goods in society due to the cancellation of social events, which leads to a decrease in the tendency to consume such goods during quarantine, and a decrease in household incomes during company downtime (Naumova, Naumova 2020).

Whilst some luxury goods categories and retail channels may be less negatively affected than others, the pandemic represents an absolutely unprecedented shock to all areas, and no luxury goods category is likely to “benefit” from the COVID-19 crisis, with all categories affected in the short term (Euromonitor International 2020). The current situation has changed the pattern of luxury consumers and producers. Despite the extremely difficult times that luxury businesses are facing, many brands have been able to shift their focus and support local communities. These shifts include the reworking of supply chains to make the products consumers and the health industry currently needs as well as providing special discounts, food and shelter to healthcare workers (Euromonitor International 2020).

What Does the Future of Luxury Travel Look Like in a Post-Coronavirus World? The meaning of luxury will change post-COVID and weigh more importance to the individual’s own definition of luxury more than past. More personalization will be key in delivering unique experiences for clients. Whilst the pre-COVID world was more about personalized experiences, the post-COVID world will come with the element of ‘personalized social distancing’. The post-COVID world will mean that trust, flexibility, and safety will become more important than ever when traveling or when staying anywhere around the world (Luxury Travel Magazine 2020).

Iran as a new emerging luxury tourism destination

Inside the luxury travel universe, there is also a demand changing for destinations. Europe despite being the main destination which receives tourists (led by France and Italy) is competing with emergent destinations as in Asia (Hong Kong and Singapore), Middle East (Abu Dhabi, Beirut, Marrakesh and recently Iran), as in Latin America: São Paulo, Rio de Janeiro, and Buenos Aires (Brown, Hudson 2011).

In Iranian context, as one of the essential elements of culture, the role of religiosity in consumer behavior has long been established and number of consumer research on Muslim individuals has been increasing rapidly in recent years. With the rapid increase of the Muslim population and the developing welfare level of the Islamic countries, it is observed that Islamic luxury consumption has also become widespread too (Bilgehan 2021).

Iran is a big country with long coastlines in North and South, plains in North and West, central deserts surrounded by mountain ranges. This geographical diversity formed diverse climate, ecology, and biology within the country. Iran with 24 world heritage sites and 14 intangible heritages are one of the 10 countries with the most cultural heritage sites on the *UNESCO* World Heritage list (Jafari, Xiao, Guillet 2015). Iran was ranked the world’s second-fastest-growing tourist destination in 2018, with 49.9 percent growth and the third fastest-growing tourism destination in the globe in 2019, with 27.9 percent growth per year, according to the latest statistics released by the *United Nations World Tourism Organization* (UNWTO 2019).

In Iran, luxury tourism in the years before the Islamic revolution was considered in tourism targeting and planning; luxury tourism was running to cover specific customers for specific attractions, but at the beginning of the revolution and attention to simple living and avoidance of extravagance, all related infrastructure It has been forgotten. However, with the growth of income in 2005 and the increase of Per capita income and wealth increase, there have been moves to reopen this special, lucrative, and employment-generating market (Ziary, Kaveh 2014).

According to the 2019 *Travel Risk Map* launched by global risk experts International SOS in collaboration with *Control Risks*, Iran has a high safety in the tourism industry. When it comes to travel security Iran’s Visitor Arrivals recorded 7,295,000 tourists in Dec 2018, compared with 4,867,000 tourists in the previous year; Iran’s Visitor Arrivals data is updated yearly, available from Dec 1995 to Dec 2018 (Vahedi 2017). The data reached an all-time high of 7,295,000 tourists in Dec

2018 and a record low of 568,000 persons in Dec 1995 (fig. 2). Iran has been ranked first worldwide in terms of price competitiveness in the World Economic Forum's "The Travel and Tourism Competitiveness Report 2019" with a score of 6.7 (Financial Tribune 2019). Scores range from 1 to 7 where 1 means worst and 7 means best.

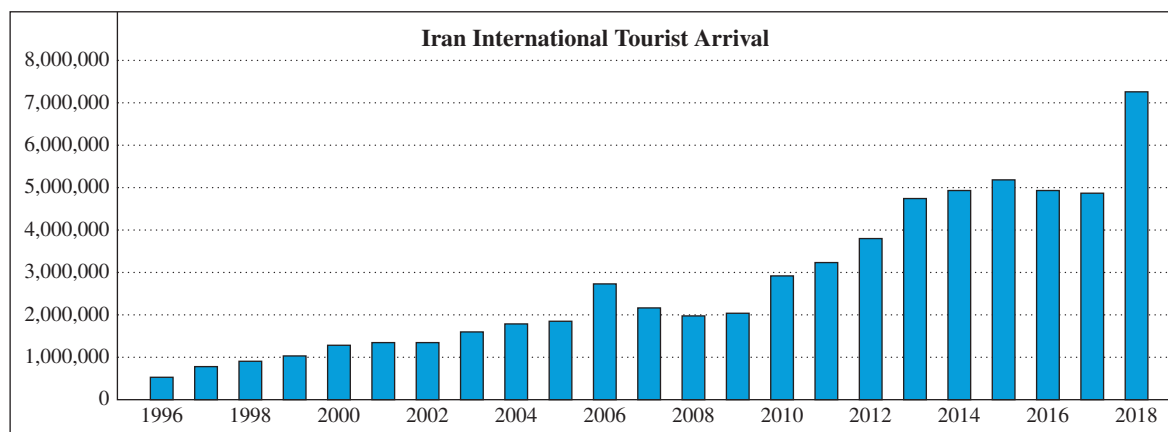


Fig. 2. The number of tourist arrivals in Iran
Ryc. 2. Liczba przyjazdów turystycznych do Iranu
 Source / Źródło: World Bank & Ceicdata.com.

Accommodation facilities capacity in Iran

Luxury tourism is traditionally associated with resorts equipped with high-quality interiors and service structures (Veríssimo, Loureiro 2013). However, accommodation in luxury tourism might not necessarily have to be five-star standard anymore; rather, the remoteness of the location and personalization of the trip may make it a luxury holiday. The essence of a luxury holiday is about realizing a passion and escaping everyday life (Iloranta 2019).

The Hotel classification is the ranking of hotels, usually by using nomenclature such as stars or diamonds, with one star denoting basic facilities and standards of comfort and five stars denoting luxury in facilities and services (World Tourism Organization 2015). In Iran, standards are related to the country's domestic laws. The ranking of Iranian hotels is based on domestic policies and international standards and classified by stars (Varsi, Taghvaei, Shahivandi 2011). According to the latest reports, Iran has 157 four- and five-star hotels, and by the end of President *Hassan Rouhani's* second term in 2021, the figure will increase to 210 (ICHHTO 2018).

According to the *Iran Tourism Organization*, the number of accommodation establishments data in Iran was reported at 3,320,000 units in 2018 (fig. 3). This records a decrease from the previous number of 3,408,000 units for 2017 which was caused by economic transactions and political tensions. Iran's number of accommodation establishments data is updated yearly, averaging 2,721,000 Units from March 2001 to 2018, with 15 observations. The data reached an all-time high of 5,251,000 Unit in 2013 and a record low of 494,000 Unit in 2001 (Alavi, Mahmoud 2000).

Considering the accommodation facilities as one of the principal elements of tourism and particularly luxury tourism, in Iran despite the high potential and demand during the last years, it doesn't have an acceptable position. This can be a negative point on the one hand and on the other hand a very significant opportunity in Iran's luxury tourism. Due to the increasing number of tourists, the demand for high-quality accommodation services has also increased. Iran has many untouched and not discovered attractions that can be an ideal spot for a luxury hotel. These opportunities need to be studied and taken into practice.

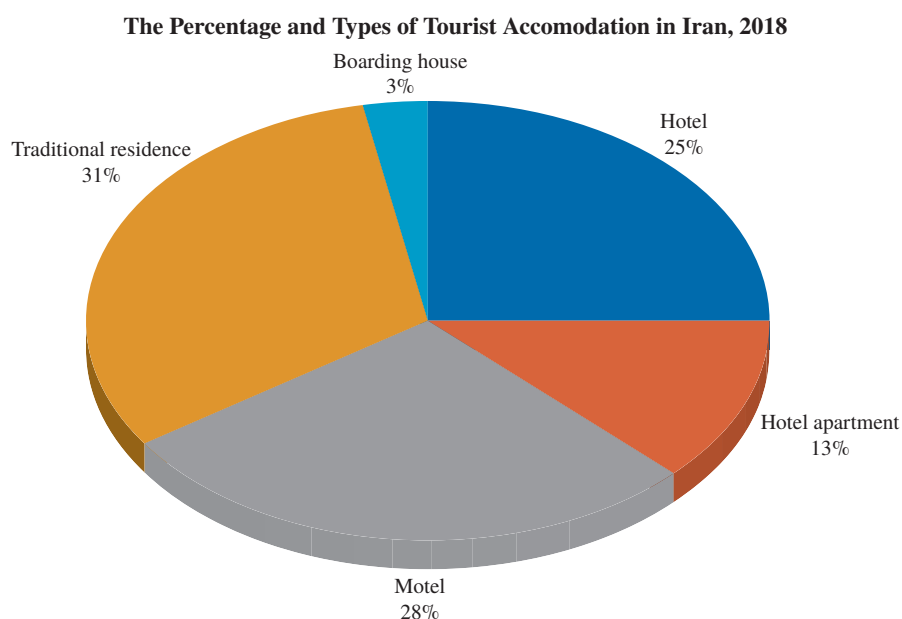


Fig. 3. The percentage and types of tourist accommodation in Iran – 2018

Ryc. 3. Udział poszczególnych rodzajów bazy noclegowej w Iranie

Source / Źródło: Iran Tourism Organization.

The Iranian exceptional destination and attractions

Typically, natural and human attractions play a major role in making the choice. A tourist destination and attraction is a place of interest where tourists visit, typically for its inherent or an exhibited natural or cultural value, historical significance, natural or built beauty, offering leisure and amusement (Flores, Scott 2016).

Contemporary luxury travelers prefer real, unique, authentic experiences in unspoiled destinations, which stimulate them physically and intellectually, adding novelty to their lives (Iloranta R. 2019). Trip-related factors, such as the purpose of the trip, the travel party, and the experience continuum influence the consumer experience of luxury services (Walls, Okumus, Wang, Kwun 2011).

Iran as a new emerging luxury tourism destination with a vast geographical area has a range of cultural diversity and climates including dry and hot desert, cold alpine, hot and humid, mild year-round, and cool summer climates (ITTO (ONG) 2021). The country possesses one of the world's oldest continuous major civilizations, with historical and urban settlements dating back to earlier than 5000 BC (Iran Review 2017). The nature of Iran consists of a series of mountains, plains, desert areas, plains, waterfalls, forests, rivers, lakes, volcanoes, and caves, each of which is unique in its kind and by being together, they have provided a beautiful nature for Iran. Geographical dispersion of natural tourist attractions in Iran can be considered as one of the strongest points and high-potential for the implementation and development of luxury tourism in Iran (Farzin, Nad Alipur 2011).

Distinctive and unique experiences

Distinction is a critical factor that motivates luxury tourists to visit different countries of the world. With the rise of luxury experiences, luxury has become more subjective and inconspicuous, which means that from the consumer's perspective, luxury no longer includes simply extravagant products or experiences in enclaved, luxurious spaces and contexts. Instead, experiences of luxury can include experiences of time, space, authenticity, community, individuality, and well-being. Therefore, luxury

has changed from pure materialism and has moved to include experiences and aspirations and it serves self-interests more than status (Yeoman, McMahon-Beattie 2018).

Culture is seen as one of the most significant explanatory factors in the consumption of luxury, as luxury is defined and valued differently around the world (Iloranta 2019). In those countries which have Islamic governments, the attitude and conception of luxury are distant. Iranian do not usually perceive luxury as part of their daily lives as luxury is considered vain and the Iranian mentality supports the invisibility of luxury brands. This is particularly true in the case of Iran, a country that possesses a large number of distinctive cultural attractions and ancient traditions.

For mentioned reasons above, Iran offers an alternative and unique luxury tourism experience to tourists. Therefore, there has been an increasing interest in luxury tourism development in Iranian private and public investors. Among the various luxury tourism opportunities in Iran, some of them are practicing and have achieved success at the international levels like nomad tourism and cultural ceremonies and some have potential to be developed like Polo as a global luxury sport.

The literature shows that well-known cultural tourist attractions possess particular characteristics to become a successful and sustainable product/destination. For instance, seasonal migration (Kooch) with Iranian Pastoral Nomad can be considered as another luxury tourism product. This phenomenon occurs twice a year and from the perspective of scarcity and aesthetics can be considered as a unique product in luxury tourism (Noroozi 2021). In addition, considering the definition of contemporary luxury tourism, Iran is packed with plenty of annual cultural and religious festivals that provide a window to soak up some culture with a number of the most famous Persian festivals that will make the luxury travel experience worthwhile. Attending these festivals is sure to enlighten the essence of the luxury side of the country (ICRO 2021).

There is evidence of luxury/ tourism in Iran since ancient times, but modern efforts at development began 75 years ago with the founding of the Jalbe-Sayahan Bureau in the Ministry of the Interior. Due to its geographical location and long historical background, Iran has been a destination for Eastern and Western tourists for thousands of years. Iran with 24 UNESCO World Heritage Sites and 14 intangible heritages is one of the 10 countries with the most Cultural Heritage Sites in the UNESCO's World Heritage list. Extensive geographical latitude and various natural and historical attractions make Iran a remarkable area for luxury tourism.

Iranian luxury consumption and production marketplace

Luxury brand products and the motivation to buy luxury brands are becoming increasingly relevant to consumers in Asia. However, there is little academic literature addressing luxury products in the context of these markets. In terms of the population size, increasing consumer tendency to luxury goods and the existence of affluent people indeed, Iran as a developing country could be an extremely attractive marketplace (Teimourpour, Heidarzadeh 2011).

Iran's old history, culture, and official religion has its own cultural features and pervade many aspects of life. As such, these markets and their consumers could potentially be more complex and unique. Establishing whether relationships exist between cultural values and motivation for consuming luxury products would be advantageous for the marketers of luxury products. This would allow for informed marketing strategy decisions to be made in a wide range of countries. Generally speaking, a study of luxury consumption of the Iranian market as a sample of Muslim society gives a deeper understanding of consumer behavior in different cultures.

Culture has been seen as an important influence on Iranian behavior, with the assumption that an individual's behavior is usually reflective of their cultural value system. Although culture is an important factor in consumer behavior toward luxury value, personal differences need to be addressed as well. There are many people living in the same society with different cultural values. The consumption and production of luxury products is a phenomenon that spans national boundaries. The same luxury brands and products are often marketed cross-culturally (Teimourpour, Heidarzadeh 2011). Regarding

religion, Iranian luxury may identify themselves as followers of a particular religion such as Islam, but it does not reflect their production or consumption as prescribed by the Islamic religion exactly.

Iran competitive advantages in luxury tourism market

As *Enright and Newton* states, competitiveness is increasingly being seen as a critical element affecting destination performance in the competitive world markets. At the global tourism level, competitive advantage depends on the country's ability to innovatively achieve, or maintain, an advantageous position in its key products over others. In relation to tourism and destination management, competitive advantage deals with the ability to use a destination's resources efficiently and effectively over the long term (Alavi, Mahmoud 2000). Potential visitation and existing to all destinations in Iran are linked to that destination's overall competitiveness, therefore it must be defined or measured; since, competitiveness cannot be measured directly, studies have used indicators for this purpose.

Based on competitiveness factors presented in the Travel and Tourism Competitiveness Report published by the *World Economic Forum* in 2013, countries can be divided into 5 distinct clusters and Iran along with 19 other countries mostly from developing countries falls into the same cluster. Multidimensional Scaling (MDS) technique was also employed in order to determine effectiveness of 14 competitiveness factors and the results indicated that the most effective factors in determining competitive positions of 140 countries can be listed as: tourism infrastructure, cultural resources, air transportation, ICT infrastructure and environmental sustainability. Results also indicate that Iran has the highest score in price competitiveness in tourism (Imani Khoshkhoo, Nadalipor, Pourjam 2015). Even though, luxury tourism doesn't have to mean expensive, particularly in a destination like Iran with a vast favorable cultural exchange rate.

Conventionally, Iran has competitive advantage in the global tourism industry with natural, cultural and historical attractions, which has not been successfully utilized for tourism promotion (Hamedi 2010). Iran territory, from the south has access to the Persian Gulf and from the north the Caspian Sea, both of which are main sources of water and can be used for transporting people from neighboring countries to Iran and even to transit them to other countries. Iran is at the juncture of cultural, intellectual, and political manifestations of the East and the West. There are thousands of tourist attractions in Iran, many yet to be discovered and mainly can be used in luxury tourism development.

Iran's potential for the development of luxury tourism

The era of the emergence of attainable luxury has been beginning and luxury tourism is out of the monopoly of developed countries. Because luxury has moved away from being an exclusive product or service and has become reachable and accessible for the rising middle classes in society (Yeoman, McMahon-Beattie 2018). The meaning of luxury is changing; previously, luxury was associated with materialistic goods, made only for the rich in society and unaffordable for many. With the growth in the middle classes, luxury has become accessible and democratized for both consumers and producers; Iran is no exception to this fact.

Developing countries are faced with several shortages and limitations in achieving economic development; meanwhile, they possess certain advantages and facilities (Yeganegi 2016). In post-revolutionary Iran, tourism development and promotion follow unique, religiously-based strategies. The current Iranian five-year development plan is a first step towards a transition to the recognition of the importance of tourism for economic development and improved international relations (Khaksari, Jeonglyeol, Lee 2014).

Iran, the second-largest nation in the Middle East, has been one of the most talked-about in recent years, most notably surrounding the Joint Comprehensive Plan of Action ("JCPOA") which was agreed in July 2015 and currently in 2021. The lifting of certain sanctions is expected to open up opportunities for tourism. Expanding the simultaneous relations between Iran and China as a new

global superpower and strengthening regional relations will provide many opportunities in tourism and particularly luxury tourism. With sanctions against Iran lifted, curiosity among luxury travelers is growing (Iran Tourism News 2019). The country provides a culturally enriching experience, with hints of luxury from its new boutique hotels to its Persian Gardens and historical sites.

The immediate demand is therefore likely to be from business travelers. This is expected to be from both domestic and international business persons, the latter of which are likely to flock towards internationally recognized brands, with an estimated 65% of business travelers already being part of hotel loyalty programs. These opportunities in the hotel market are coupled with a series of recent incentives for foreign investors provided by the Iranian Government. These incentives include 100% income tax exemption for new hotels and tourist infrastructures in less developed areas for which a license is issued by the Iranian Cultural Heritage, Handcrafts and Tourism Organization (ICHTO) after the Iranian Year of 1395 which is commencing 21 March 2016 (ICHTO 2018). Hotels and tourism projects in developed towns and areas will also benefit from a 50% income tax exemption. In addition, the Iranian government since 2019 is issuing visas for nationals of nearly 65 countries (including citizens of most European countries, Australia, New Zealand, Qatar, Oman, and the UAE) upon their arrival at Iranian airports (Iran Tourism News 2019).

Iran has considerable potential for the growth of luxury tourism. However, they have not been properly realized towards national development. A general and brief SWOT analysis of Iran's luxury tourism may clarify the actual situation in this sector (fig. 5). Even though, luxury tourism research is currently lacking studies on the new luxury experiences with different cultural and geographical origins.

<p style="text-align: center;">Strength Points (S)</p> <ol style="list-style-type: none"> 1. An important key role in the regional markets including Central Asia. 2. Development of new geographical markets especially where higher potentials are available. 3. Rapid development of tourism services with an emphasis on luxury tourism attractions and products. 4. Government's support of hardware and software investments in the fields of luxury tourism. 5. Providing high-quality services at lower prices. 	<p style="text-align: center;">Weakness Points (W)</p> <ol style="list-style-type: none"> 1. Insufficient cooperation with leader countries in luxury tourism. 2. Non-institutionalization of training needed to provide luxury services. 3. Non harmonized and stable development of luxury tourism in areas of high potential. 4. Lack of utilizing state-of-the-art technologies. 5. Inadequate infrastructure in some touristic sectors. 6. Lack of implementation of extensive projects by attracting foreign investment.
<p style="text-align: center;">Opportunities (O)</p> <ol style="list-style-type: none"> 1. Attracting domestic and international tourists seeking luxury experiences. 2. Providing luxury tourism products and services non offered in neighboring countries. 3. Introducing a comprehensive pack of luxury tourism. 4. Entering international cooperation and commissioning research and development projects. 	<p style="text-align: center;">Threats (T)</p> <ol style="list-style-type: none"> 1. Rapid progress of countries in the region, especially the southern neighbors in the field of luxury tourism. 2. Political tensions and economic sanctions at the international level. 3. Environmental issues.

Fig. 5. Brief SWOT analysis of Iran luxury tourism

Ryc. 5. Krótka analiza SWOT turystyki luksusowej w Iranie

Source / Źródło: author's own elaboration.

CONCLUSION

This study explores perceptions of contemporary luxury tourism service and discovers the high potential of Iran in this market. The research was conducted about this sector in Iran, which haven't had

a strong luxury culture and a traditional luxury tourism destination according to the old definition of luxury. Rather, it is an unexplored and promising destination for tourists who seek unique, distinctive, and non-traditional luxury experiences. In this paper, I investigate that Iranian luxury is a new form of luxury, and to understand the core of contemporary luxury tourism we need to redefine the classic version and discuss the concepts related to the luxury world. Although, it is strongly true that to recognize a luxury experience, we need to know the context of what the consumer expectations of luxury are. Additionally, the level of privacy and expectation of the experience affects this service.

This research investigated that the luxury has become more about the ability to realize a passion, not just about expensive and trendy brand names. The main purpose of a luxury experience is to give to the consumer a distinctive product out of the ordinary, which will cover and engage with the senses to support a unique experience. However, it needs to be noted that academics, stakeholders, and beneficiaries in the luxury industry must continually study, redefine and enrich the luxury value because what was once luxurious and extraordinary becomes quickly ordinary and the feeling of uniqueness is losing. In addition, contemporary consumers' expectations of luxury change the experience of luxury, which creates new contemporary luxury. Therefore, Service providers need to continuously develop their services for their customers by providing what they are seeking and expecting from luxury.

In the case of Iran, the route to luxury tourism profitability and growth is not without serious threats and challenges. However, enormous opportunities and competitive advantage also exist. Iranian luxury industry can maximize its rich history and tradition to provide an alternative and unique luxury tourism and ensure a blazing economic future. Luxury tourism, as a part of a systematic economic growth strategy, has the potential to contribute significantly to the social and economic aspirations of Iran; since the potential of luxury tourism in Iran is indeed real.

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