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MILLENNIALS' DEFINITION OF LUXURY AND POSSIBLE IMPLICATIONS IN THE TOURISM INDUSTRY: THE PORTUGUESE CASE

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ABSTRACT

This study evaluates how Portuguese Millennials perceive luxury in general terms and regard to the tourism industry. The findings of an interpretive study show that Millennials have two perspectives regarding luxury – a traditional and an unconventional view. These results led to the creation of two models for both luxury in general and luxury in the tourism sector. Each model includes the two perspectives identified and the trends that were considered relevant for each type of profile. The unconventional perception revealed to be more popular among this generation. Regarding the overall luxury, younger Millennials showed a more alternative view of the concept. As for the concrete case of tourism, no conclusions were taken in terms of respondents' demographics. However, it was possible to find a significant incoherence in terms of participants' definition of luxury in this sector and how they find luxury in their personal touristic experiences.

Keywords: Unconventional luxury; Tourism; Millennials; Portugal; Consumer behavior

1. Introduction

For the last years, the luxury market has been gaining influence on the world's economy. According to a study developed by Statista, it is expected to grow annually by 7.4% until 2023. However, several authors have agreed that luxury lacks a substantial and coherent definition (Cornell, 2002; Godey, 2013; Ling et al., 2017).

For this reason, researchers have been studying what consumers perceive as a luxury, however, there is still a need to explore further the meaning of this concept (Kastanakis and Balabanis, 2014). A possible explanation is related to the emergence of a new perspective of luxury among younger consumers. In contrary to previous studies, characteristics such as rarity (Nueno and Quelch, 1998), status (Atwal and Williams, 2009), and premium prices (Godey, 2013), are starting not to have the same value anymore. Instead, younger consumers are referring to a new conceptualization of luxury, focused on consumer-driven experiences rather than product-centered ones (Holmqvist et al., 2020). This new perspective classifies luxury as intangible and subjective personal experiences that are exclusive to people with high monetary power (Atwall and Williams, 2009; Tynan et al., 2010).

While reflecting on this experience-driven perspective, the travel industry becomes an exciting topic to explore. On the one hand, it is a business characterized by investing on providing engaging and memorable experiences to consumers. On the other hand, according to Statista, it is an industry that has been growing dramatically, and it includes a relevant luxury subsector that significantly contributes to the world's economy. In 2015 it reached 1.26 trillion U.S. dollars in global international tourism revenues, almost double comparing to 2005. Additionally, the tourism sector has been dominated by younger consumers like Millennials, as they rank travel as a top priority (Cavagnaro, 2018). An excellent example of this reality is that, according to a report by the Expedia Media Solution, in 2017, Millennials traveled more than any other generation.

With this in mind, this research will focus on studying interviews conducted with Portuguese Millennials to understand how they define luxury and how they perceive it in the tourist context. The primary purpose of this study will be to evaluate whether they relate to the new concept of luxury and if it is applicable in the tourism industry.

2. Literature Review

2.1. Luxury

The luxury industry has been playing an essential role in the world's economy. According to a study developed by Bain & Company, it grew 5% to an estimated 1.2 trillion euros in 2018. As for the Portuguese case, in 2017, the luxury market represented the significant amount of almost 5% of the GDP (Sanlez, 2017).

However, when it comes to finding a definition of the concept "luxury", researchers have faced the challenge of finding a coherent and substantial description (Cornell, 2002; Liang et al., 2017) and many explain this due to the difficulty faced by consumers on understanding its meaning (Tynan et al., 2010; Wu et al., 2015). Authors believe that the concept of luxury includes transformative aspects (Donzé and Fujioka, 2015) and, as a result, it becomes more difficult to find an absolute definition. Therefore, it becomes necessary to do additional research on understanding its meaning (Kastanakis and Balabanis, 2014).

In previous studies, as stated by Grossman and Shapiro in 1988, luxury could be defined as the goods of a distinctive brand that provided the owner with esteem through the use or display. It could satisfy the psychological and functional needs of those who had access to it (Wiedmann et al., 2007). Traditionally, luxury was associated with rarity, scarcity (Neuno and Quelch, 1998), exclusivity, status, quality (Atwal and Williams, 2009), and premium prices (Godey, 2013). As for the categories, consumers related luxury goods and services to categories such as fashion, travel,

cars, hotels, food, accessories, and products (Hsu et al., 2012; Walley et al., 2013). Also, they referred to pleasurable and profoundly different from common goods (Kapferer, 2008; Vigneron and Johnson, 2004) that individuals with high-income levels could enjoy (Berry, 1994; Kapferer 1997) while showing off their prestige and status among the society (Kastanakis and Balabanis, 2014). These aspects would result in a product-based view of luxury, which would count as a luxury the possessions of individuals characterized by outstanding quality (Choo et al., 2012; Kapferer 1997, 1998) with a more appealing appearance than a non-luxury offering.

Nevertheless, new studies have identified a new understanding of this notion (Atwal and Williams, 2009). As studied by Kauppinen-Räisänen in 2019, consumers' perceptions are highly subjective, relative, and contextual. As societies and cultures have been evolving, the same has been happening to the perception of luxury (Mortelmans, 2005; Ramadan, 2019).

Consequently, the traditional concepts associated with luxury brands may no longer match with how contemporary consumers perceive this idea (Seo and Buchanan-Oliver, 2015). Today, consumers care for pleasure and emotional value (Kapferer and Valette-Florence, 2016). They no longer appear to look for products that exude elegance, and they choose experiences that style and provide comforting quality instead (Cristini et al., 2017). Intangible personal experiences are appreciated rather than physical products (Atwal and Williams, 2009; Tynan et al., 2010).

Overall, we can state that this new conceptualization of luxury focuses on a consumer-driven experience, rather than a product-centered one (Holmqvist et al., 2020). Considering recent research done by Holmqvist, "moments of luxury" are deeply studied and described as "a brief and hedonic escape from the worries of the everyday life". Thus, ludic activities such as salsa dancing or appreciating a beautiful sunset on the way home can be classified as moments of luxury. Furthermore, other studies find potential in exploring more subjective, personal, and contestable understandings of luxury that result from a perspective focused on practice, rather than on the price

(Banister, 2020). Intangible services, hedonic escapes, and everyday pleasures are examples of what is currently more related to luxury (Thomsen et al.,2020). However, traditional associations are still present, such as the idea of elegance, quality, exclusivity (Wilson et al., 2015) and the fact of being an excellent way of self-expression (Chandon et al., 2016; Hung et al., 2011).

Regarding the profile of the consumers associated with this new concept of luxury, studies highlight Millennials (Gardetti et al., 2016; Holmqvist et al., 2020), the ones born between 1980 and 2000 (Census Bureau, 2015; Howe et al., 2007), as the leading players. Interestingly, several recent reports show that this generation has been playing a crucial role in the luxury industry. In 2019, Millennials contributed to 32% of the spending in the personal luxury market and were expected to make up 50% of the total market (BCG, 2019). However, this generation is starting to show a different view of luxury where goods and services representative of this market are not considered luxuries. Much of this phenomenon can be explained by how studies define this generation.

First of all, it is worth stating that a generation shares similar behaviors (Meredith and Schewe, 1994), values (Cleaver et al., 2000), feelings, and thoughts (Manheim, 1923/1952, p.291) and Millennials are no exception. By sharing these aspects, Millennials have similar consumption patterns (Taylor and Keeter, 2010).

Secondly, as for the western millennial consumers, due to difficulties experienced during the financial crisis, they are cautious about spending money, and they have been adapting their purchasing habits over the years (Arthursson, 2016). Today, this generation is characterized by high mobility not only of people but also of things, making them the leading players of the new mobility paradigm (Urry and Sheller, 2006). They are digital natives (Prensky, 2001) and very conscious and determined consumers (Koulopoulos and Kelsen, 2016). It appears that these consumers have more robust tolerance than the previous generations, are more open to change, and

more interested in diversity (Benckendorff et al., 2010). It has been clear the growing importance they give to experiences rather than physical goods. Millennials describe themselves for what they do rather than what they own (Bellaiche et al., 2012). They look for instant pleasure and once-in-a-lifetime experiences, such as helicopter snowboarding in Alaska, for example (Bellaiche et al., 2012). Therefore, we can see how they appreciate the "here-and-now" attitude versus an ownership-focus one (Garikapati et al., 2016).

Considering all these characteristics, we can affirm that Millennials are more likely to have a more intangible perspective of a luxury than the previous generations, due to what they value in life, such as living unforgettable experiences and looking for diversity. Therefore, it becomes relevant to explore further their perspective on this topic.

2.2. Tourism

While considering the rise of this experience-driven perspective towards luxury and the several categories associated with this industry previously mentioned, the tourism industry can be viewed as an exciting topic to explore further.

On the one hand, today, tourism is no longer a residual part of life (Dujmovic and Vitasovic, 2015; Lanfant et al., 2009) and has been more carefully considered by society (Nocifora, 2008; Urry and Larsen, 2012). In Portugal, in 2019, tourism had a positive balance of more than 13 million euros (Pordata, 2020a), representing 6.2% of the country's GDP (Pordata, 2020b).

Furthermore, as it happens with the luxury industry, several studies, such as the one developed by OECD in 2018, refer to Millennials as the leading generation of the tourism market, capable of changing its trends. A report done by ITB World Travel Trends 2018-2019 estimates that travels done by Millennials count for 40% of Europe's outbound tourism, making them the most relevant generation regarding international travel. At the same time, they represent an

increasing proportion of luxury travelers, as they are improving their economic influence (Lorson, 2019). They invest more in travel than other purchases and are looking for different and memorable travel experiences. They want to live authentic experiences and embrace the culture when traveling while looking for the local knowledge (MMGY Global, 2014). Also, they want to create new relationships and care for personalized experiences while actively caring for sustainable approaches towards the planet (Bernardi, 2018).

On the other hand, we can see a shift regarding the concept of luxury tourism when focusing on its definition. Currently, luxury tourism has a value of 831 billion U.S. dollars worldwide, and it is expected to grow in the future. It represents 14% of the current tourism and continues to grow at a higher rate than overall tourism in designated popular locations (Lorson, 2019). However, when focusing on what consumers perceive as a luxury in their touristic experiences, intangible factors play a critical role in their overall customer satisfaction. As stated by George Morgan-Grenville, CEO of Red Savanna, "Luxury travel today is defined less by thread count and Michelin stars and more by access to the people, places, and experiences that represent all that is authentic about a destination". European long-haul luxury travelers look for a combination of relaxation and entertainment. For example, travelers can experience it through a luxury yoga retreat in the Amazon or a cookery weekend in Vietnam (CBI Ministry of Foreign Affairs, 2018).

As for the current travel trends in the general tourism industry, there is a more substantial interest in personalization and exclusivity, as today's consumers are looking for experiences that fit their personality (CBI Ministry of Foreign Affairs, 2018). Also, multigenerational travel is increasing, as families are becoming more dedicated to spending time with their loved ones. Moreover, it has emerged the transformative travel, a kind of travel where people look for experiences that can help them grow as individuals (SKIFT, 2018). Travelers are also giving more attention to wellness tourism, focused on maintaining or enhancing personal well-being (Wellness

Economy Monitor, 2017). According to a study developed by the Global Wellness Institute, between 2013 and 2015, international wellness tourism revenues grew at an impressive rate of 20%.

Overall, we can state that experiential travel is gaining relevance and that current travelers are searching for authentic and unique travel experiences (SKIFT, 2018), possibly resulting in new conceptualizations of luxury tourism. Therefore, there is a need to understand consumers' perspectives better, especially Millennials, due to their characteristics and their growing impact on both tourism and luxury tourism industries.

2.3. Contextualization

During the development of this study, the world was facing the Covid-19 pandemic, a coronavirus responsible for causing a severe respiratory illness around the world. At the time this study was released, the world had more than 5 million registered cases and more than 330,000 deaths. The Portuguese case counted with more than 29,000 people infected, and the country was in a state of emergency for the whole period of this research. For this reason, citizens were in seclusion, meaning that they were in their homes without having contact with other people, unless for inevitable circumstances. Schools were closed, and the Portuguese workforce was teleworking if their job allowed them to do it.

Having this in mind, we expected that the current situation the country was facing could influence the participants' responses. While using previous cases as an example, such as SARS in 2002, we could predict that respondents could be facing psychological, emotional, and financial problems (Hawryluck et al., 2004). Inevitably, this could impact their perspective of luxury.

On the other hand, we also took into account the Reactance theory earlier developed by Brehm. This theory says that when individuals perceive a threat to their freedom, subjective

responses emerge, such as the experience of distress, and they will be motivated to reestablish that freedom. In this case, we could expect that participants' perspectives regarding luxury could be more frequently associated with realities that they could not experience at the moment due to the pandemic. Some examples included the freedom to be away from home or being with their loved ones.

3. Methodology

3.1. Procedure and Sample

For this study, we conducted a narrative analysis through in-depth interviews. By analyzing the participants' personal experiences, we were able to take relevant conclusions regarding the meaning of luxury for Millennials and its impact on the tourism industry.

Millennials were identified as a particularly relevant sample, as previous studies characterize them as people who define themselves for what they have lived, rather than the products that they own (Bellaiche et al., 2012). For showing a high interest in living experiences, rather than collecting things, we expected that they would be more inclined to associate luxury with a more experiential concept when compared to older generations. On the other hand, this generation also plays an important role, not only in terms of the personal luxury goods industry but also in the traveling industry. Due to their growing financial power, studies predict they will represent 45% of the global personal luxury goods market by 2025 (Shin et al., 2017). As for their interest in traveling, according to AARP's 2018 Travel Trends report, in 2019, Millennials planned to take five trips throughout the year, much more than the other generations.

Regarding how the sample was selected, non-probability sampling was used (Merriam, 2009). To ensure maximum diversity in the analysis, participants were selected based on their age, gender, area of residence, and occupation. The final sample included 28 people, recruited using

snowball sampling, using posts on private groups on Facebook as a starting point. The sample included 14 female and 14 male respondents. Also, to guarantee that the sample fairly represented the whole generation, we included 12 participants born in the 1980s and 16 in the 1980s (for more details, see **Appendix 1**).

We conducted 28 semi-structured interviews, and each one lasted, on average, for 30 minutes. They were made through either video or audio Facebook calls, depending on the participant's availability, to avoid physical contact due to the Covid-19 pandemic. For each interview, we contacted the participants via email or Facebook instant message and provided instructions before the interview. They included a request that the participants chose five photographs that represented what luxury, in general, meant for them and three that represented their perception of luxury in the tourism industry. We asked for the participants' permission to audio record the interview, to facilitate transcriptions, and make sure that we did not dismiss any critical information. Also, a copy of the pictures selected by each participant was saved (see **Appendix 2** & **3**).

As for the interview's structure, we started by asking participants why they had chosen those five photographs to represent their perspective of luxury (see **Appendix 4**). This question enabled us to have access to respondents' personal experiences. After that, we asked several questions regarding the participants' definitions of luxury, and the last time they felt they were experiencing luxury. Also, we made devil's advocate questions (Merriam, 2009) to understand their opinion on controversial topics, such as if respondents thought it was imperative to spend a considerable amount of money to obtain luxury. In the second phase of the interview, after focusing on the concept of luxury in general, we invited participants to explain why they had chosen those three photographs for luxury in the tourism case. After that, we exposed respondents to ideal position questions (Merriam, 2009), and asked them to describe their dream vacations. Through

this question, it was possible to understand what aspects the participants valued about their travels. Finally, for the last question of the interview, participants were given several scenarios and were asked if they recognized them as luxury vacations or not. We chose each scenario carefully in order to test a different condition for each option. For example, the option "staying in a hostel in Tokyo" was considered to evaluate if people think a destination itself can be considered as luxury, even when staying in low-cost accommodation. On the other hand, "Yoga retreat in humble residence in Serra da Estrela" was essential to understand if people saw the practice of a sport dedicated to well-being like Yoga as enough condition to be considered as luxury vacations.

3.2. Data analysis

As for the analysis of the interviews, we coded and studied qualitative data to show emerging themes. For this purpose, we used NVivo, a qualitative analysis software, and Mural, a digital workspace for visual collaboration.

In an initial phase, we studied the two themes independently – luxury in general and luxury in the tourism industry. We chose these two topics as, during the interviews, respondents usually did not connect both subjects.

Simultaneously, we conducted an individual analysis for each question, to highlight the ideas that stood out on each one. However, in a later stage, we determined that it would be more relevant to draw conclusions based on a set of questions rather than individually examine each question. This decision led us to create two groups of questions based on the first two identified themes, luxury in general, and luxury in the tourism industry. Consequently, we were able to generate two models composed of the main trends identified in each group.

4. Findings

Several ideas stood out while focusing on the different trends analyzed during an iterative reading of the interviews' transcriptions. With them in mind, two models were created for luxury in general and luxury in the tourism industry.

4.1. Luxury in general

Regarding the topic luxury in general, we found several common trends among the vast majority of the respondents. Also, we were able to find a more unconventional perspective of luxury among some respondents. However, unlike we had predicted, some of the participants showed a more classical view instead. Having this in mind, we were able to create a model including all relevant topics, as shown in **Figure 1**.
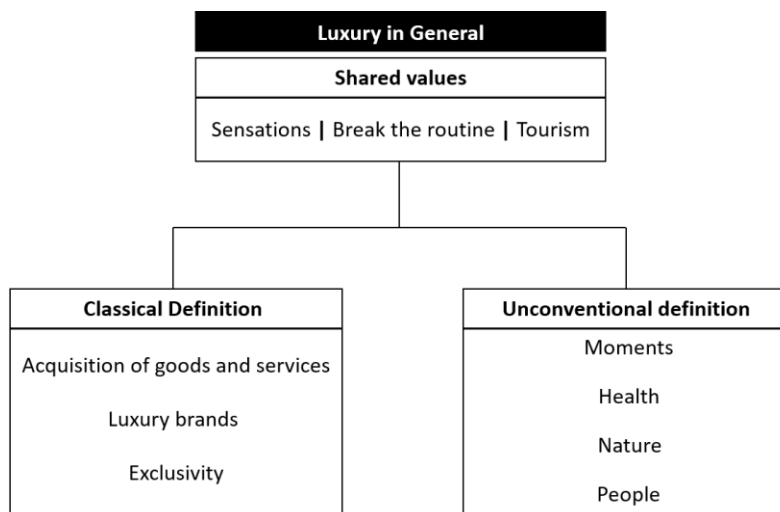

Figure 1 - Model of luxury in general

4.1.1. Shared values in luxury

Concerning the topics that were common in almost all interviews, three can be highlighted – sensations, the need for breaking the routine, and tourism.

4.1.1.1. Sensations

When we questioned the general meaning of luxury, almost every respondent referred to the importance of acquiring or doing something to have a certain feeling. Participants highlighted several sensations such as "happiness", "pleasure", "emotion", "satisfaction", "tranquility", "unconcern" and "power". Especially when we asked respondents to select five pictures that represented what luxury meant to them, several people chose pictures to illustrate a real feeling. Some examples include "a desert island that represented the idea of being relaxed and away from work" [Participant 90S12], or a personal photo of the respondent's daughter's graduation, that represented the luxury of "being proud of your people and the happiness that comes with it" [Participant 80S01]. Additionally, when we asked them to identify three words to describe luxury, respondents very frequently called the attention to these kinds of feelings. This finding comes as no surprise if we consider that what distinguishes luxury from the rest is the degree of psychological and intangible benefit a person gives (Nueno and Quelch, 1998; Vigneron and Johnson, 2004). As Kapferer explained in 1998, "like light, luxury is enlightening. Luxury items provide extra pleasure and flatter all senses at once" (p.253). However, it is essential to note that, despite the concern for senses that participants shared, how they were able to experience them depended on the type of profile. For example, a person with a traditional perspective would find happiness in having a mansion with a big pool, while the ones with an alternative view would find this when taking a long walk by the beach.

4.1.1.2. Break the routine

Another common aspect mentioned by participants was the association of luxury with doing something different from the ordinary. They attributed great importance to breaking the usual work-sleep routine. They gave several examples, such as "the simple idea of arriving home and,

instead of start cooking dinner, as usual, lying in the sofa for fifteen minutes" [Participant 90S03]. Also, aspects such as "being on vacation and being able to disconnect from work and even forget about the work computer login details" [Participant 80S10] or "having a moment for introspection" [Participant 90S09], were linked to the "break the routine" trend. A plausible interpretation for these results may be correlated with the quarantine phase respondents were going through. As most of them were working from home, they could consider a luxury doing something different from their most recent routine. Also, as studied before, luxury can be linked to the act of relaxation, such as resting from work (Rita et al., 2018).

4.1.1.3.   Tourism

Tourism was also one of the main concepts that participants connected with luxury. Research has shown that tourism and leisure are gaining an essential role in our lives (Dujmović and Vitasović, 2015; Lanfant et al., 2009; Urry, 2002). People are starting to see it as one of the players for the construction of their identities (Nocifora, 2008; Rojek, 1993; Stebbins, 2007). When analyzing participants' responses, it was clear the importance they gave, mainly when we asked about the last time they had experienced luxury – about 60% referred a touristic experience, in Portugal or abroad. Also, several people included photographs such as hotels, infinite pools, beaches, or landscapes, to represent touristic experiences that they associated with luxury. These answers also revealed another interesting aspect in terms of the location of the experiences. As previously discussed, studies suggest that Millennials have a highly significant role when it comes to international trips (WYSE, 2015), as they are considered avid pursuers of international experiences (Expedia, 2016). However, when considering luxury in general, the majority of Millennials agreed that a luxury touristic experience was equally valid if spent in Portugal.

4.1.2. Traditional perspective of luxury

Aside from the prevailing trends, in total, we identified eleven Millennials that demonstrated a traditional perspective of tourism. Interestingly, the majority of them were born in the 1980s (8/11). We were able to recognize three ideas exclusive of these respondents - the association of luxury with the acquisition of goods and services, luxury brands, and exclusivity.

4.1.2.1. Acquisition of goods and services

We considered the acquisition of goods and services as the first primary trend among Millennials with a more classical perspective. Ten respondents described luxury as something that required a person to spend money to buy specific goods or services. When asked about their personal life experiences, some of these respondents mentioned their possessions, such as "buying expensive watches" or "a private helicopter tour during a vacation" [Participant 80S05]. However, the majority of these participants referred to possessions that they would like to own in the future, rather than what they already possessed. Most of these cases included goods or services that required a high monetary investment, such as "buying a mansion", "going on a cruise", "traveling in first-class", or "having tailored made clothes". We may connect this idea with the concept of materialism, as some respondents seemed to follow a life where the pursuit of wealth and possessions had a significant role (Hudders and Pandelaere, 2012).

4.1.2.2. Luxury brands

Another aspect exclusive of the respondents with a classical perspective was the association of luxury with well-known luxury brands. When thinking about certain goods or services that they associated with luxury, instead of mentioning goods, such as a car or travel in first-class, they would instead refer to particular brands such as "Porsche", "Ferrari", "Lamborghini" or "Emirates". They associated these brands with status and inaccessibility due to the required high financial

investment. Additionally, they mentioned their trust in the product's quality, a result of the influence and power of the brand in question. These findings are following several studies showing the strong relationship between this generation and luxury brands. Millennials are known for looking for branded products with a distinguished name and reputation in the market (Mainolfi, 2019). According to research made by Bain & Company and Farfetch, it is estimated that this generation will represent 40% of the global personal luxury goods market in 2025, that precisely accounts for products and services from the designated "luxury brands".

4.1.2.3. Exclusivity

The last characteristic associated with the traditional perspective of luxury that we identified was the association of luxury with exclusivity. As studied by Atwal and Williams in 2009, this is one of the main features people correlate with luxury. In this case, respondents highlighted the importance of holding experiences or acquiring goods that only a few can have. The main reason behind this lies in the high financial investment required. As previously discussed, participants saw luxury as expensive. They gave several examples of exclusive products, such as "private jets", "tailored made clothes", or "limited editions". On the other hand, when focusing on experiences, respondents usually gave examples of activities they would do abroad on vacation, such as "visiting one of the most expensive theaters in Italy" [Participant 90S11] or "staying in a villa in a Resort in the Maldives" [Participant 80S08].

4.1.3. Unconventional perspective of luxury in general

Finally, considering the respondents that attributed an unconventional definition to luxury, the majority was born in the 1990s (13/17 participants). As for the particular topics of this profile, four were studied in detail – moments, health, nature, and people.

4.1.3.1.   Moments

We were able to identify the association of luxury with moments as the first component of this profile. As studied by Stevenson in 2012, we can define "moment" as a "slice through time" with a punctual structure that has enduring influences in the future (Zemka, 2012). Therefore, we understand how these Millennials assign a higher value to the experiences they face rather than the goods they own, as it would have been expected (Bellaiche et al., 2012). All respondents considered to fit in the unconventional perspective mentioned different moments. It mainly happened when we asked them to choose five photographs, to talk about the last time they had encountered luxury, and if they believed that a person was required to spend much money to feel luxury. Concerning the different varieties of moments, as previous research shows (Wallpach et al., 2019), during the interviews, some Millennials described moments as meaningful events responsible for their happiness and well-being. Also, they addressed not only to small-scale moments such as "watching a sunset" or "visiting a friend", but also rare and once in life-time experiences like "having a child" [Participant 90S10] or "beating cancer" [Participant 90S08]. Overall, all the moments that were described by respondents were, in some way, connected to the other trends identified in this profile – nature, health, and people.

4.1.3.2.   Health

The second trend we identified was the importance participant gave to being healthy, not only them but also their family members and friends. A possible interpretation may be correlated to the contextual circumstances during the interviews' period. The world was facing the Covid-19 pandemic, and the number of people infected by this virus in Portugal was rising quickly. As for the responses given, some covered defining luxury as "being able to say that I am healthy" [Participant 90S08] and "having a strong and competent health national system" [Participant

80S04]. Also, people mentioned ideas such as "people only value health when it lacks" [Participant 90S02]. We can relate this idea with the principle of the Reactance theory by Brehm, which affirms that people feel motivated to reestablish their freedom when threatened, in this case, health. Finally, people who had encountered some health challenges in the past, such as "beating cancer" [Participant 90S08] or "having a daughter in need of health treatments in a developing country" [Participant 80S04], also saw health as something immensely valuable, worth recognizing as a luxury.

4.1.3.3. Nature

Another aspect that stood out was the link with nature. One the one hand, this could have been anticipated due to the quarantine period. Considering the different answers by the participants, some argued that they missed having the chance to see green and feel connected with nature because they lived in apartments in the city. On the contrary, the others that lived in villages and were surrounded by parks and trees suggested that nature was playing a significant role in making them mentally stronger to face these difficult times. Some even argued that this quarantine period was vital for them to discover how lucky they were for living in such conditions and appreciate this connection with the wild. On the other hand, we could have anticipated similar responses, as some research has revealed how Millennials value leisure and how they usually associate it with being in contact with nature (Young et al., 2018). Also, Millennials are considered an environmentally friendly generation that cares for how green the brands they purchase are (Henrichs, 2008; Rosenburg, 2015). We identified this concern among the participants when aspects such as "being able to eat biological products" [Participant 80S11] or "choosing to camp in my own country to avoid polluting more" [Participant 90S09] were considered as luxuries. Overall, as also investigated by Young in 2018, the interviewed Millennials linked nature with

feelings of happiness, peace, and relaxation, a crucial part of their well-being. They saw luxury in "climbing a mountain", "watching a sunset or sunrise" and "discovering a new waterfall".

4.1.3.4. People

The last trend identified was the association of luxury with the presence of family and friends. Around 81% of the Millennials that fitted the unconventional profile mentioned people that were important for them. These references were frequent when we asked them to choose five pictures to illustrate luxury, describe luxury in three words, and questioned them about the last time they had felt luxury. Some respondents even decided to share personal photographs of their family and friends to show how appreciated they felt for having them in their lives. A possible interpretation of these results might again be connected with the quarantine situation at the time we conducted the study.

4.2. Luxury in the tourism industry

When focusing on luxury in the tourism industry, we identified two profiles of respondents. We used the same designations as before to create the model – the classical and the unconventional perspectives (see **Figure 2**). However, contrary to what happened in the previous model, we did not find common trends between the two types of profiles. Nevertheless, the participants showed a less coherent perspective of luxury in the particular case of tourism. On several occasions, when we asked people to choose three photographs representing what they saw as a luxury in this industry, respondents chose classic elements associated with high quality and prices. Some examples included resorts and first-class trips. However, when we questioned them about the last time they had experienced luxury in their trips or their dream vacation, they would emphasize more accessible experiences, while highlighting immaterial aspects. In these cases, we considered respondents as being part of the alternative profile, as we rated their experiences more relevant in

terms of expressing the person's luxury touristic philosophy. It is worth mentioning that the majority of the Millennials presented a more unconventional perspective regarding tourism. This result comes as no surprise, considering the importance that experiences play in this industry and what has already been studied about Millennials' preferences in this sector.
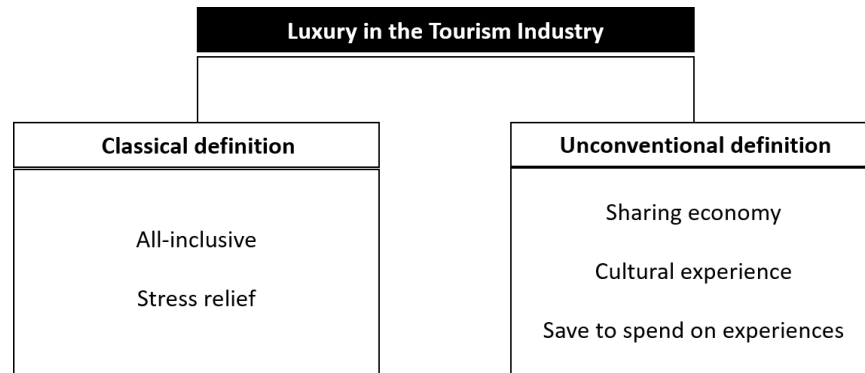
Luxury in the Tourism Industry	
Classical definition	**Unconventional definition**
All-inclusive Stress relief	Sharing economy Cultural experience Save to spend on experiences

Figure 2 - Model of luxury in the tourism industry

4.2.1. Traditional perspective of luxury in tourism

Regarding the Millennials profile with a traditional view towards tourism, we included eight of the 28 respondents. As for the main ideas shared by these participants, we identified two main components - all-inclusive accommodation and the search for stress relief.

4.2.1.1. All-inclusive

During the interviews, every person who showed a more goods-oriented perspective towards tourism identified all-inclusive accommodation as a must-have in a luxury touristic experience. As studied by Paris and Zona-Paris in 1999, some respondents highlighted the advantage of being able to control their expenses better when staying in a resort with an all-inclusive policy. On the other hand, every participant stated the quality associated with this kind of accommodation, an aspect already studied by Issa and Jayawardena in 2003. Several conditions offered by this kind of accommodation were also referred such as "swimming pools", "spas", "a

diverse breakfast", "high-quality restaurants", and "spacious and comfortable bedrooms".

Additionally, a relevant aspect cited was the need for this accommodation to be near the beach.

Today, 48 of the 100 best all-inclusive resorts in the world are in the Caribbean (Issa and

Jayawardena, 2003), and the respondents appeared to have this in mind. Most of the destinations

that respondents highlighted were part of this geography, such as "The Bahamas", "Dominican

Republic" and "Mexico". Other common destinations included "The Maldives" and "Bora Bora".

Regarding the type of accommodation, "resorts" and "cruises" were the most popular among

respondents.

4.2.1.2. Stress relief

The second common aspect of this profile of respondents was the main motivations behind

their touristic experiences. Considering the total number of participants classified as traditional, six

out of eight of them revealed that they wanted to forget about the work and the daily life problems

while enjoying the moment when they traveled. They wanted to feel relaxed and away from their

daily stress. Respondents usually represented these ideas by choosing photographs or describing

their ideal vacations, including isolated places. If we consider the study done by Cavagnaro and

Staffieri in 2015, where the authors discuss several meanings for travel, and the responses obtained

during the interviews, escapism, and relaxation are the main motivations of this profile of

Portuguese Millennials travelers. By the meaning of travel, we refer to the traveling experience's

needs and its symbolic character (Staffieri, 2016).

4.2.2. Unconventional perspective of luxury in tourism

As for the denominated Millennials with an alternative view of luxury tourism, we were

able to find 20 out of 28 respondents that matched this profile, the vast majority of the sample.

Most of them were participants that had already shown an unconventional perspective when we

studied their opinions of luxury in general. As for the tendencies, we considered three as relevant – the interest in the sharing economy, the search for cultural experiences, and the investment in accessible accommodation and transport.

4.2.2.1. Sharing Economy

The first component we identified was their interest in home-sharing platforms, such as Airbnb and HomeAway, a strong example of the emergence of sharing economies nowadays (Heyes and Aluri, 2018). In our study, 55% of these participants stated these services when presenting their ideal vacation. We could have expected that the main reasoning behind these numbers would be the search to have more local experiences, due to the contact with the hosts, for example (Young et al., 2017). However, what led participants to show interest in these platforms was its "accessible price" when compared to hotels. This finding is aligned with a previous investigation showing that Airbnb travelers choose to save money on accommodation and spend on other tourist-related activities (Young et al., 2017). As for the type of house, participants mentioned several options such as renting "a private room", "a wooden house", "a house in an isolated place such as a mountain", and a "caravan for road trips".

4.2.2.2. Cultural experience

Interestingly, most participants that fitted this profile did not think of Portugal as an ideal travel location when focusing on luxury in the tourism sector, in contrary to what had happened in the luxury in general model. Instead, these Millennials highlighted the value of feeling luxury abroad. Following previous studies on the interest of Millennials in getting to know new cultures and deep diving in local and touristic destinations (Veríssimo and Costa, 2018), 65% of the respondents showed a keen interest in having a "living like a local" kind of experience. Some referred to culture as the central objective of traveling and showed more interest in getting to know

countries outside Europe, such as "India", "Japan", and "Mexico". They were motivated to learn from locals and understand the history of these countries. Authentic experiences played a vital role, as studied by Savelli in 2002. Some respondents also highlighted how they wanted to have real experiences, the closest as possible to untouched scenarios, such as the contact with tribes like the Pataxó tribe in Brazil. Additionally, the majority of these respondents noted the local gastronomy as one of the most critical parts of the trip, as studied by Rita, Brochado, and Dimova in 2018. Finally, some mentioned the importance of extended stays in these countries to immerse themselves in the new culture (UNWTO, 2016).

4.2.2.3. Save to spend on experiences

The third and last trend identified among this profile of Millennials was the decision to save as much as possible, to spend more on experiences. As previously studied by Veríssimo and Costa in 2018, sometimes Millennials are called "the cheap generation" as they search for promotions to spend less money, and these respondents were no exception. In our study, 55% of the participants gave little importance to the place where they slept, and the only aspect they cared about was the experiences they lived. They looked for basic accommodation that was "hygienic" and "cheap" and "it does not matter if it means sleeping on a train or a caravan" [Participant 90S04]. They wanted to live the cultural experience in its fullest, and they agreed with all-inclusive critics by saying they felt stuck when staying in a resort, as they could not discover what was outside (Issa and Jayawardena, 2003). An illustrative example of this kind of experience is a backpack experience in Latin America, where adventure and learning are the main goals of the trip. Also, some respondents referred that they preferred to spend more on transportation, to go to more distant destinations, and save on accommodation and food.

5. Practical implications

This study reveals that the majority of Millennials associate luxury with intangible aspects. As it could have been expected, this kind of consumers represents a generation that does not need to pay premium prices or buy luxury brands to find luxury in their lives. This fact is remarkably essential for the positioning of luxury brands within this market, and it will probably constitute a significant challenge for the industry in the future. Regarding luxury in general, the relevance that age played in our sample indicates that this trend will be more evident among the younger consumers, namely younger Millennials and Generation Z. As for the tourism industry, this study illustrates the importance of this industry to keep investing in providing excellent customer experiences to this generation, while enabling them to explore further what they classify as crucial in their lives, from being able to have a local experience or unforgettable experiences. Finally, this study can be considered as pioneer research in what regards to studying the perception of Millennials in a pandemic context. Therefore, it serves as a starting point to investigate the possible implications that this pandemic might have brought to the way of defining and experiencing luxury of this generation.

6. Limitations and further research

The findings derived from this exploratory study are limited to the Portuguese case, and they should not be generalized to different countries. Also, a substantial part of this study was dedicated to the concrete example of the tourism industry, meaning that different perspectives could have been obtained if we had focused on a different industry. Nevertheless, we developed the current research during a pandemic environment, and, for this reason, this aspect might have influenced the answers we obtained. Having this in mind, a broader sample, including different nationalities, could be considered for further research. This change would allow us to have a more

substantial perspective of the generational opinion regarding luxury. Additionally, this study could be extended to industries besides the tourism industry to test if respondents continue to show a more unconventional perspective towards luxury. Furthermore, a similar study with the same respondents could be replicated to understand the consequences of Covid-19 by evaluating if they continue to share the same opinions, after the pandemic period.

7. Conclusion

This paper contributes to a contemporary definition of luxury in a pandemic environment. In general, unlike we had predicted, Millennials did not only present an alternative view towards luxury but also shared a classical perspective. However, the unconventional perspective was significantly more prevalent among this generation. Regarding the classical approach, it was more common among older Millennials, while Millennials born in the 1990s, showed a more unconventional perspective. Consequently, we concluded that age played a significant role, while gender, occupation, and area of residence were not found significant. As for the specific case of luxury in tourism, we also identified the two perspectives, but the unconventional perception was more common. These results can be justified by this industry being recognized for the experiences that it provides, leading consumers to have a more experiential view. In this case, age, gender, occupation, and area of residence did not play a significant role. However, respondents showed more incoherent answers when comparing to the previous section of luxury in general. Several respondents referred to classical elements of luxury tourism generally, but, when asked about personal experiences, it was clear a more alternative view regarding luxury in this sector.

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9. Appendices

Appendix 1 – Sample demographics

#	Name	Year of birth	Gender	NUT II	District	Occupation
1	80S01	1980	Male	Norte	Viana do Castelo	Construction
2	80S02	1980	Male	Alentejo	Portalegre	Manager
3	80S03	1980	Female	Norte	Porto	Retailer
4	80S04	1981	Male	Centro	Viseu	Financial Manager
5	80S05	1981	Male	Centro	Viseu	Police officer
6	80S06	1983	Male	Norte	Viana do Castelo	Construction
7	80S07	1984	Female	Norte	Braga	Intern
8	80S08	1986	Female	Norte	Porto	Controller
9	80S09	1987	Male	Centro	Viseu	Consultant
10	80S10	1987	Male	Norte	Braga	Controller
11	80S11	1987	Female	Madeira	Madeira	Farmer
12	80S12	1989	Female	Área metropolitana de Lisboa	Setúbal	Assistant director
13	90S01	1990	Female	Centro	Viseu	Healthcare professional
14	90S02	1992	Female	Centro	Viseu	Seller
15	90S03	1992	Female	Alentejo	Santarém	Catering
16	90S04	1993	Female	Centro	Aveiro	Technician
17	90S05	1994	Male	Área metropolitana de Lisboa	Setúbal	Consultant
18	90S06	1995	Female	Centro	Coimbra	Student
19	90S07	1995	Female	Norte	Porto	Unemployed
20	90S08	1995	Female	Centro	Viseu	Researcher
21	90S09	1996	Male	Madeira	Madeira	Student
22	90S10	1997	Female	Centro	Viseu	Cashier
23	90S11	1997	Male	Centro	Guarda	Student
24	90S12	1997	Male	Área metropolitana de Lisboa	Lisboa	Consulting Analyst
25	90S13	1997	Male	Centro	Viseu	Student
26	90S14	1998	Female	Centro	Guarda	Student
27	90S15	2000	Male	Área metropolitana de Lisboa	Setúbal	Student
28	90S16	2000	Male	Área metropolitana de Lisboa	Lisboa	Student

Appendix 2 – Photos that represent luxury in general selected by participants

Note: personal photos were not included in the appendix

Participant 80S01

Participant 80S02

Participant 80S03

Participant 80S04

Participant 80S05

Participant 80S06

Participant 80S07

Participant 80S08

Participant 80S10

Participant 80S11

Participant 80S12

Participant 90S01

Participant 90S02

Participant 90S03

Participant 90S05

Participant 90S06

Participant 90S07

Participant 90S08

Participant 90S09

Participant 90S10

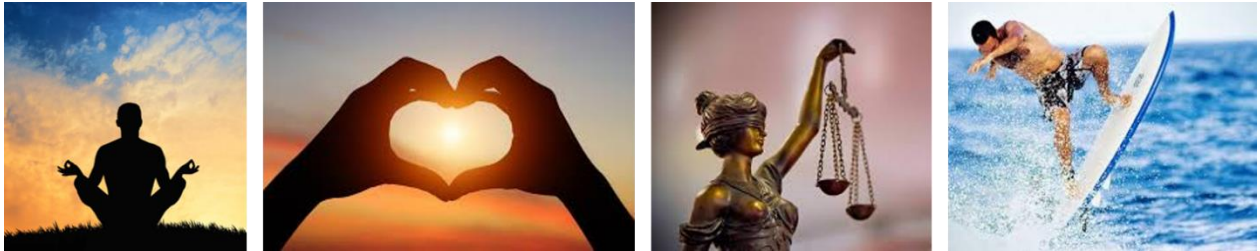Participant 90S11

Participant 90S12

Participant 90S13

Participant 90S14

Participant 90S15

Participant 90S16

Appendix 3 – Photos that represent luxury in the tourism industry selected by participants

Note: personal photos were not included in the appendix

Participant 80S01

Participant 80S02

Participant 80S03

Participant 80S04

Participant 80S05

Participant 80S06

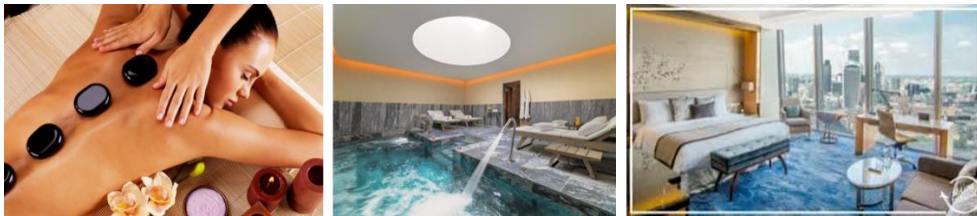Participant 80S07

Participant 80S09

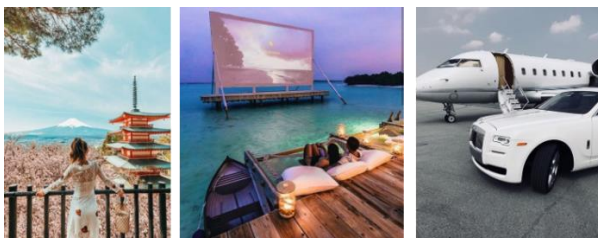Participant 80S10

Participant 80S11

Participant 80S12

Participant 90S01

Participant 90S03

Participant 90S04

Participant 90S05

Participant 90S06

Participant 90S07

Participant 90S08

Participant 90S09

Participant 90S10

Participant 90S11

Participant 90S12

Participant 90S13

Participant 90S14

Appendix 4 – Interview's script

Choose 5 photos that represent what you believe is luxury, and 3 photos that show how you perceive luxury in the touristic context.

Luxury in general

1. What do these 5 photos represent to you? Please elaborate on each one.

2. Can you describe luxury using only three words?

3. Can you describe luxury without word limit?

4. Some people say that for a person to experience luxury it requires spending a lot of money. Do you agree? Why?

5. When was the last time you felt you were experiencing luxury?

6. In what ways do you think it defers in terms of perspective of luxury between yours and older generations?

7. Which industries do you associate with luxury?

Tourism

8. What do these 3 photos represent for you? Please elaborate on each one.

9. How would you describe your dream vacations? Do you consider it to be a luxury?

10. Have you ever experienced luxury in any of your touristic experiences? If yes, what was it?

11. Do you think that experiencing luxury in tourism requires you to spend a lot of money? If no, can you give an example?

12. Please indicate which of these vacation scenarios you consider to be a luxury.

    a. Wooden cabin in a Portuguese deserted beach

    b. Weekend with a cooking course included in Algarve

    c. 5-star hotel in Torres Vedras

    d. Camping in Maldives

    e. Yoga retreat in humble residence in Serra da Estrela

    f. Hostel in Tokyo