The Emirates Academy

# MALTA, THE POSSIBILITIES OF SUSTAINABLE LUXURY TOURISM ON A MEDITERRANEAN ISLAND MEGALOPOLIS

A Thesis submitted on

August 2022

By

DANIEL DEBATTISTA

495580M/1

In partial fulfilment for the requirements of the Degree of Master of Business Administration in International Hospitality Management

**Declaration**

I, Daniel Debattista, declare that this is an original piece of work, produced entirely by me, and that all source material has been appropriately referenced. In addition, I attest that no portion of the work referred to in this thesis has been submitted in support of any other course, degree, or qualification at this or any other university or institute of learning.

X

Daniel Debattista

## Abstract

Luxury tourism is a niche market that sees growth with global affluence and Europe is the main source provider. This study explores the characteristics and behaviours of luxury consumption, in relation to the possibility of Malta being a luxury destination. Various sectors within tourism in Malta, such as maritime, have the potential in offering deluxe services and products, whereas other areas, such as gastronomy, are gaining momentum on others. Boutique accommodations highlight authenticity and some offer superior services. Overall, Malta has the potential within the tourism sector to offer luxury products.

The Maltese Islands, which are situated in the middle of the Mediterranean region, are increasingly gaining popularity as a destination. Pre the global Covid Pandemic, 2019 has taken Malta to record inbound figures, as it reached 2.75 million tourists. In economic terms, the results achieved were significant for the total tourist expenditure. However, when comparing and measuring expenditure per capita, there was a drop in growth. It is identified that in 2017, although inbound tourism was less than in 2018, and 2019, expenditure per capita was greater.

One can argue various factors about this phenomenon, and therefore, the author identified the need for research. Malta is very limited in its footprint. Tourism is considered one of the main resources, hence its performance is crucial as it affects the socio-economic environment. The statistical data highlights characteristics of a saturated destination, where the hosting country increases the quantity but not the quality. Such events could also be referred to as mass tourism. Within the region, the occurrences of touristification are evident as it enjoys high levels of attractiveness and demands are met with the supply of needs.

Malta's tourism policies, from 2016 onwards, show efforts within its strategy proposals to avoid becoming a quantitative destination but rather a destination with a qualitative direction. Sustainable values are within the agenda, which also includes human resources, as emphasized within the Malta Tourism Strategy 2021-2030.

This study is based on sustainable luxury tourism in Malta and its prospects. In the process of this research, the author identified the need to include specific stakeholders within the industry to contribute to the pool of study. Hospitality professionals residing on the Island of Malta contributed to the knowledge of this study where their experiences and views are reflected.

Although Malta's status has achieved a sun and sea destination, luxury activities are evident. Governance, stakeholders, and investors are willing to support and invest in infrastructure and quality product development. Consumers of luxury do not necessarily indulge in conspicuous consumption, as personal experiences get more authentic. The big city development is not the trend, nor it is environmentally sustainable, hence a sustainable future could be seen throughout the evolution of luxury niches.

Sustainable tourism in terms of luxury tourism in the Maltese islands has reached a critical stage and warrants a careful study to determine the future strategy for its development.

## Acknowledgments

Primarily, I would like to express my appreciation and thankfulness to my study supervisor Ms. Nicola Caruana who guided me throughout the build-up of this document. Her guidance assisted me in the flow of research and writing sequence of this thesis.

I would like to personally thank all the participants who pro-actively undertook the survey questionnaire, and dedicated time from their busy schedules to share their knowledge and views. Without their input, the value of this study would have been insignificant.

Finally, I would like to thank my work organisation for their overall support. Last but not least thanks to all my close family who supported, believed, and sacrificed time to allow me to achieve such goals.

## Table of Contents

# List of Tables

## List of Figures

# CHAPTER 1

## INTRODUCTION

# INTRODUCTION

## 1.1 INTRODUCTION

*'Europe is a key source market for luxury tourism' (cbi, 2018)*

Europeans are increasingly choosing experiences over possessions. CBI, the Centre for Promotion of Imports, is part of the Netherlands Enterprise Agency reports (CBI, 2018).

Tourism in the Mediterranean (Mediterranean Growth Initiative, 2017) describes the region as one of the world's best. Rich in history and unsurpassed natural beauty. In 2015 the region hosted an estimated 320million tourists.

Malta, better highlighted in Chapter 2, Figure.1, is the largest island of the Maltese archipelago and is situated directly in the middle of the Mediterranean Sea. It stands between the south of Italy and the north of Libya. Malta's population in 2020 was estimated at 442,000 according to (Worldometer, 2022), and has a land area of 320Km$^2$.

Facts and figures documents from the Malta Tourism Authority (MTA) report that in 2017 Malta had an inbound of 2.27 million tourists. The demand for the island destination was evident. In 2018 and 2019 inbound tourism increased by 5.9%, from 2.6 million to a 2.75million respectively (Malta Tourism Authority, 2019). 98% of the tourists travelled to the Maltese Islands by air, whereas 2% travelled by sea. 43% of travellers in 2019 chose the destination Malta because of good flight connections, and for 60% of travellers, it was a new destination. The majority of the travellers were citizens of the European Union (EU), (Malta Tourism Authority, 2019).

Leisure and recreation are the most popular motives of tourists for visiting the Islands of Malta which operates in the Mediterranean region. Excluding accommodation, expenditure during a stay is mostly spent on food and drink (Malta Tourism Authority, 2019). This much-desired destination houses not only exceptional natural beauty, but is also rich in historical values, and cultural heritage (Mediterranean Growth Initiative, 2017).

During the past decade, the popularity of the destination flourished. Inbound tourism registered a surplus year on year (Malta Tourism Authority, 2019). This performance contributes well to the hosting countries' wealth of economic status. However, although inbound tourism has recorded an increase, expenditure per capita does not follow the same statistical pattern. With such data one would question, why is this phenomenon occurring and what could be done differently?

The influx of inbound tourism highly stresses the hosting destination from socio-cultural aspects, with most consequences that could not be rectified. The author aims to identify which possibilities or approaches could a destination like Malta take to operate efficiently whilst positioning itself as a luxury destination. Human behaviour since ancient times distinguished itself through various factors of conspicuous consumption and belongings. In more present times this trend seems to be shifting to a more experiential behaviour, as consumers seek experiences (Batat, 2019). Luxury travel forms part of this episode. Probing the idea of positioning products and services of the Maltese Islands into this segment could appeal positively to the sophistication of the emerging markets. Luxury tourism does not have a strict definition. Positioning in the luxury segment requires engagement, delivery of superior services and products. Consumers of luxury would also expect a personal touch. This would also diversify and characterise the product from one experience to another. Previous strategies portrayed Malta as the success of a sun and sea destination. As this destination matured, branding Malta should aim to rejuvenate its resources by shifting to more sustainable consumption.

## 1.2 REASONS for RESEARCH

Popularity does not come for free. Various destinations within the region, mainly islands and coasts are experiencing effects of saturation. The long-term marketing strategy used to promote the region's locations was the infamous sun, sea, and sand, also known as 3-S tourism. Urry (2002) argues that probably, mass tourism had flourished within the industrial working class of Britain, which at the time, it was a new form of social activity. The competitiveness of the tourism industry is extremely high, as every place is potentially a tourist destination. Mass tourism capitalises on the available resource itself - space, which often leads to own environmental destruction (Urry, 2002). One can measure the success of this strategy by the volume of popularity which is still evident today. However, if measuring the habitat and the developments which occurred on the shorelines one would re-think the outcome of success.

The habitat and the environment of the Mediterranean is the main resource to which travellers are attracted (Mediterranean Growth Initiative, 2017). Visiting travellers would need a place to stay. This popular demand led many destinations including Malta into developing the shoreline into a megalopolis, at the cost of own resource. Touristification is the result of the picturesque island of Capri along the Amalfi coast, as well as in Venice. This phenomenon occurs with the sole intention of cosmetically adopting for tourists, at the expense of authenticity (Krauss, 2019). Both locations enjoy a surplus of visitors at the cost of their habitat survival. Will the Islands of Malta be following suit?

Probing into the luxury segment requires a strategy of its own. Governance and all the stakeholders involved are to collaborate in the same direction. Luxury tourists seek destinations with superior products, services, and comforts (Thirumaran & Raghav, 2017). They are not price-sensitive if they consume valuable experiences. The basic need for travel remains accommodation and food. Services within these segments ask for superior quality, offering personalised and authentic options and variances.

Competition and rivalry within the Mediterranean region are immense. New markets emerge especially from the developing countries where their virgin habitat appeals better over the saturated traditional destinations. An example of stunning Albania, when compared with Malta over twenty years from 1995-to 2015 one can identify considerable growth. In 1995 Malta registered circa 1.1million arrivals, and Albania registered just over 300thousand arrivals. Whereas in 2015, Malta registered just under 1.8million arrivals, and Albania registered 4.1million inbound tourists (Mediterranean Growth Initiative, 2017).

## 1.3 RESEARCH OBJECTIVES

The objectives of this research were intended to:

- Evaluate the potential of the local tourism product, and its attractiveness towards luxury consumption
- Identify sustainable principles in relation to exploiting hospitality as a way forward
- Analyse the challenges of a mature destination and its possibilities for luxury tourism

## 1.4 RESEARCH QUESTIONS

The questions aim to explore if the Mediterranean islands of Malta are a luxury destination of choice. The observations would challenge the question and the purpose, as attraction is subjective.

- What are the factors that drive luxury tourism on the islands, and how much is it desired?

A product that has high levels of attractiveness will find its way at a zenith. The desirability for consumption increases, and therefore it will become popular. Popular and luxury are not a usual combination as luxury products are often considered to be exclusive and not for the masses.

- Where can Special Interest Tourism (SIT) contribute to Maltese luxury?

Luxury is a perception. Different people consume and contemplate luxury from various dimensions, which interests are mostly affected by their crowds, groups, and tribes. From a historic context, Malta already enjoys a long and rich product reputation. As various interests and desires develop, small niches with high levels of service or products could be achieved.

- How can a sustainable agenda impact the future of a Megalopolis?

Sustainable value is the capacity to sustain one's own existence through the domains of profit, people, and the planet. In order to prolong existence, one must preserve one's own resources and diversify accordingly. The environment of a great urban city is affected by the behaviour of its inhabitants and its visitors.

The knowledge gathered from this research will assist the author in sharing as much related information in order to provide a sustainable conclusion.

## 1.5 SUMMARY

Within this document, the author seeks how luxury is perceived, and how it is consumed, from a socio-economic perspective. Identifies challenges and other reputable luxury Mediterranean destinations. Analyse trends and sustainability of the luxury product. According to the context provided, motives to shift tourism from quantitative, to a more qualitative driven strategy are evident to ensure sustainable growth. Special Interest Tourism (SIT) markets related to culture, history, nautical, wellness, gastronomy, among others are key factors for diversity. The question would be if the quality of the product or service offered would qualify with luxurious or deluxe characteristics.

Identifying if the islands of Malta are a destination for tourists seeking luxury experiences in the region does not have a direct answer. Various factors affect its consumption and desire, also a luxury destination is made up of multiple layers of superior services and experiential values. However, one must note that a destination could be diverse in its offering. Diversity within the market itself and the people who seek to consume the products affect the classification of common or luxury, which also relates to perception. Nevertheless, quality services differ, and this may position a destination in a luxury segment with one product, and a commercial segment with another product.

## 1.6 STUDY LAYOUT

This study is divided and flows into six chapters. Chapter 1 is the Introduction, Chapter 2 – Literature Review, Chapter 3 – Research Methods, Chapter 4 – Research Findings, Chapter 5 – Discussion, and Chapter 6 – Conclusion.

In Chapter 1, the subject background is introduced, and the motivation for research, its purpose, and the research questions are explained.

Chapter 2 is the literature review. It gives an overview, extracted from secondary data on the luxury behaviour, characteristics, and needs in relation to Malta and its region.

Chapter 3 explains the methodology design which was implemented for the research process and the collection of data. It outlines the respondents and the population groups, the constraints encountered, data analytics, and ethics.

Chapter 4 introduces the demographics of the sample. Their motivations, standings and views, limitations, and findings through the primary data. The conclusion ties all the issues previously identified together.

Chapter 5 discusses the analyses in relation to the objectives, with a number of conclusions based on the interviews conducted, the research findings, and sustainable efforts. It also includes recommendations and actions for further research.

Chapter 6 concludes the last section where the outlook of the whole study is portrayed, and the findings and recommendations are brought forward.

# CHAPTER 2

LITERATURE REVIEW

# LITERATURE REVIEW

## 2.1 INTRODUCTION

In this chapter, the author aims to identify and review the theoretical aspects related to the subject title. The goal is to establish significant relevance of potential strengths and weaknesses, which would allow for further investigations and development. The behaviour from a global perspective to the regional destinations allows for a snapshot into possible opportunities or setbacks.

Tourism markets come in different shapes and sizes. Luxury tourism is a market segment that is rapidly expanding no matter what the global situation might be (CBI, 2018). Despite its importance and various literature on the subject, one could not find a common definition. Suppliers of this product are expected to deliver quality, diversity, and authenticity.

### 2.1.1 Defining Luxury Tourism

Luxury-tourism as described by (Demir & Saribas, 2014) is a tourism type concept in which the suppliers offer high-priced products together with high-quality services.

Luxury, which translates from the Latin word 'Luxus', is another term for splendour, extravagance, and sensuality. Other characteristics that justify the high prices of luxury include exclusivity, high quality, and rarity. Tourism and travel were always associated with luxury and experiences, with a few exceptions and the looming of mass tourism.

Although the term luxury is clichéd, it usually refers to uniqueness, exclusivity, and the unusual. Luxury is not for the satisfaction of the masses; it is a product or service not to be reached by everybody and is privileged by the few.

Luxury tourism has no strict definition. It is about high-quality experiences and personalised services. People seek authenticity which represents the destination, cultural immersions, and participation, not just watching. Superior standards of accommodation and dining are also key features expected by travellers (Johnson, 2013).

## 2.2 GLOBAL LUXURY-TOURISM TRENDS

Consumers of luxury travel still seek superior traditional comforts in accommodation and dining. However, more than before, they expect more engagement and understanding. One must also consider the differences between luxury tourism, such as ultra-luxury and affordable luxury. The evolving trends in change of the behaviour of purchase are perceiving a shift from brand to artisanship values. Consumers tend to prefer luxury goods with a sense of superior quality and craftsmanship. The phenomena of shifting products from brand-oriented and display of logo to a more design-dynamics, aesthetics, and calibre (Bilge, 2015). Achieving a luxury destination status like in the case of Dubai entails various strategies and agendas, which investments, and stakeholders relate at top levels (Heyes & Nadkarni, 2020).

With the global pandemic events of Covid-19, a particular focus is expected to be given on technologies related to hygiene, cleanliness, and contactless services. Also, a decline in long-haul travel might be expected in an attempt to reduce the carbon footprint, and staycations would increase in popularity (Simpson, 2020).

Although luxury tourism is thriving, mass tourism types have a strong market share within the industry (Stankova & Kaleichev, 2013). Hence, creates a dilemma for market positioning. Of which, one can suggest the idea of balancing the markets with special interest tourism (SIT).

## 2.3 EUROPE and THE MEDITERRANEAN BASIN

Europe is considered a major travel destination with inbound record growth year on year. Southern Europe and the Mediterranean, once the best performing sub-regions, are showing signs of weakening (Mediterranean Growth Initiative, 2017). Nevertheless, travel stability is high versus other major global regions. Old and new member states are the major contribution to this theory. The economic gaps of the new states expose for rapid growth in statistics, whereas also it identifies many opportunities to capitalise on the competitive and qualitative levels such as for luxury travel.

The Mediterranean basin can be divided into two major regions of north and south. The north region comprises coastal shores and islands of southern Europe, whereas the south region covers the Maghreb and the Middle east. Travelers within the regions perceive different dimensions of quality services and experiences. Hedonic features are more emphasized by tourists traveling to the south, whereas involvement features are more perceived if traveling north. Primary sources' results identify experiences of higher quality in the southern region, despite the low scores for peace of mind and involvement of the same region. Thus, destinations in the southern curve of the Mediterranean provide a more thrilling experience. In contrast, travellers to cities in the northern curve reported being more informative, diverse, safe, and in control. This research was formed in seven different cities within the region, four from the north and three from the south. One should also consider its limitation versus other cities in the region. The northern region is also more technologically developed, industrialised, and democratic (Schlesinger, et al., 2015).

## 2.4 MALTA'S POSITION and THE MEDITERRANEAN REGION

**Figure 1 - Malta and The Mediterranean**


Adopted from: (InterContinental Malta, 2016)

Malta sits in the centre of the Mediterranean basin, 93km south of Sicily and 290km north from the state of Libya within the Maghreb region of North Africa. Malta, made up of 196Km2, is the largest island of the archipelago, whose capital city is Valletta. Gozo is the second largest island, covering 67Km2. A cultural heritage concept was the agenda of Malta and Gozo. The latter emphasises cultural heritage importance and promotions. Governance and non-government organisations (NGOs) support the preservation of the cultural tangible and intangible segments. This project aimed to attract a sustainable niche in Gozo which engages with authentic cultural heritage interests (Borg, 2017).

The attractiveness of the Islands captured the likes of over 2.7million tourists in the year 2019, which economically, was estimated at a monetary value of €2.2million. The industry in 2018 also estimated that it hired over 13,000 full-time, and over 9,000 part-time employees, which all serviced the food and beverage, and the accommodation sectors (Malta Tourism Authority, 2019).

From the perspective of a Valletta resident, Dr. Grima (2016) describes his experience of the city being 'under siege'. Valletta's history proves it is not new to any siege, this time however is in a different form.

The impacts are to affect the senses and socio-cultural aspects. Although development, in general, leads to economic growth, one must highly consider a sustainable plan before developing. Valletta risks falling deeper into this terror if not the appropriate plans are visioned which embraces the shorelines, views, housing, fabric, and sounds of the cultural city (Grima, 2016).

Popularisation of the sun, sea, and sand (3-S) product through the 1980's increased, and there-after mass tourism effects brought a sense of crisis. The re-positioning of Malta is to no new subject within the strategic planners and policymakers. Governance, and stakeholder efforts, in shifting Malta from the socks and sandals tourists to a more qualitative tourist is evident.

Although the author identifies gaps in Maltese luxury tourism data, it is noticed that various stakeholders in different sectors push the boundaries of quality. These are observed in several developments including accommodation and gastronomy, such as The Xara Palace Relais & Châteaux, which is the only establishment that forms part of Relais & Châteaux. Relais & Châteaux is an association of luxury hotels and restaurants, which are individually owned and managed. The Phoenicia Malta, an Art Deco Hotel, which after its extensive refurbishment was introduced to join the marketing organization of The Leading Hotels of the World (LHW). Casa Ellul is also the only member of Small Luxury Hotels of the World (SLH). Domus Zamittello, Iniala Harbour House, and AX Rosselli, which is the only 5 Star hotel in the Capital. All projects focused on excel and specialise in boutique hospitality. In addition, the opening of Hyatt Regency Malta, the only 5 Star superior certificate awarded by the Malta Tourism Authority (MTA) granted more value to the portfolio of accommodation (Independent, 2020).

The new Manoel Island masterplan development focuses on cultural preservation, heritage restoration, sustainability, and the wellbeing of the public. It also incorporates maritime activities and services, and other socio-cultural aspects such as new sports facilities (Piccinino, 2021). The lavish 'Sa Maison' marina, is a step towards higher yachting amenity standards, attracting super-yachts and their luxury market. The project is led by an alliance of local and Italian entrepreneurs, whose aim is to 'up Malta's game' within the yachting community, according to Dr. Muscat (The Malta Chamber, 2016). Also significant, is the local road infrastructure which is constantly upgrading and modernizing. Its impact will improve efficiency on the time of travel and also reduce the carbon footprint. Other noticeable political agendas include the Maltese passport scheme, introduced directly to attract calibre foreign investment.

Flight connectivity with key airlines such as Emirates, Qatar Airways, and the ease of airport use for jet setters, are paramount factors for exposing the attractiveness of the island to the luxury traveller. The increasing demands for bespoke private aviation services and travel arrangements, provided by the likes of luxury concierges such as Vista Jet, purvey key opportunities in attracting the elite (Flohr, 2021). Malta International Airport (MIA) had also planned for a major project investment of over €78 million.

It includes a two-phase terminal expansion, operational and airfield upgrades, and other business developments together with a possible airport Hotel (Dalli, 2015).

The western Mediterranean islands of Corsica, Sicily, the Balearic Islands, Sardinia, and Malta are not new with the impact of mass tourism and the possible economic effects of Dutch disease. This phenomenon results from the impact on the host community from the expanding economy of own inbound tourism (Nowak, 2007). The once paradigm state-destinations Malta and Monaco are described to have irregular behaviour due to signs of slower growth versus other rivals within the same region (Manera, et al., 2016). Malta, the same as the archipelago of the Balearic Islands, had noticed a drop in the length of stay, tourist expenditure, and market share (Manera, et al., 2016). This behaviour is typical for a mature tourist destination. Other factors of handicap that affect travellers from the medium to high-end market include environmental deterioration and over development. Various tourism literature identifies that mature tourism economies differentiate change starting from the supply. Post-Fordism tourist interests are beyond the 3-S tourism, hence the threat of saturated mass tourism destinations (Manera, et al., 2016). Nonetheless, possible market change can be a new opportunity as new emerging markets arise and so is common prosperity.

### 2.4.1 Touristification of The Region

The impacts of tourism on various Mediterranean islands can be commonly related. Most of this phenomenon is due to overdevelopment or unsustainable touristification of habitats. A comparison of urban islands that are affected in the region includes Valletta-Malta, Rhodes-Rhodes, Calvia-Majorca, Corfu-Corfu. These islands and cities are victims of the phenomenon as they all host seasonal mass tourism. They also have reached maturity in the sense of tourism destination in the region (Feleki, et al., 2018). In common they are all destinations of which one would associate with sun and sea vacations; however, they also do have the rich historic potential within which was not exposed enough or was not prioritized at the time. This could be since conventional tourism was to render more revenues for the short-medium terms, and the governance for sustainability was scarcer. Urbanization impacts come to affect the social, economic, and environmental demographics of any destination (Pappas, 2005). The effect of globalization and urbanization does not only affect the principal pillars of sustainability (social, economy, and environment), but also the authenticity of the local identity. As the region is very popular, high volumes of travellers invade the host destination. This natural process has an effect on the cultural identity, as cultures mix. Identity and traditions get diffused by time as they lead the development of new beginnings and adaptations, leaving behind the hosting heritage (Feleki, et al., 2018).

The much sought-after Italian island of Capri is another example with issues of touristification. Popularity flourished during the past decades and exploded towards the end of the twentieth century. Although Capri is rich in cultural and historical heritage, the island is much more known for its luxury-celebrity hospitality. Due to the latter status, Capri's original identity and heritage are being jeopardized. Capri has turned its popularity and splendours into a mass tourism destination. Whilst popularity and progression have a positive impact on economics, socio-cultural habitats tend to be hit with opposite repercussions (Krauss, 2019). Thus, threaten further growth to be reformed to more sustainable economics.

In 2014 a survey study of the Campania region in Italy intended to measure tourist satisfaction through an Importance-Performance Analysis (IPA). Campania is home to the much-beloved Amalfi coast and includes the islands of Capri.  The region in 2012 hosted 4.3million tourists with a market share of just under 12%. This Mediterranean destination like others is known for its beaches, historical and archaeological sites, hideaway havens, and gastronomy. Over 1.9 thousand surveys were conducted in both the winter and summer seasons. Professional interviewers met the travellers face-to-face in random hotels at the check-out phase, within 13 different locations of the region. The survey outlines the correlation coefficient among environmental factors and the overall perceived satisfaction. Mostly identified correlations also indicate the importance of these attributes such as the quality, availability, and organization of cultural sites and events, contentment of accommodation, and the quality of local cuisine (De Nisco, et al., 2015). The highest ratings from tourists indicated the following areas:

- competence, friendliness, and accommodations
- accommodation cleanliness
- quality of restaurants
- identity in food culture

In summary, for a destination to reach a competitive advantage over the ever-increasing competition, high levels of quality services must be provided to be able to satisfy customer satisfaction. Satisfactory tourism experiences affect post-visit behaviours where people recommend to others and have a high probability of return. Satisfactory feelings also encourage other forms of purchases within the destination as it triggers a sense of fulfilment (De Nisco, et al., 2015).

### 2.4.2 Malta Tourism Strategy 2021-2030

The Malta Tourism Strategy has been launched for consultation with the industry stakeholders aimed to shape up the future of tourism from this year up till 2030. This ten-year strategy will be based on three fundamental pillars, namely: Recover, Rethink, and Revitalise.

Heading the way to 2021, Malta's previous five-year policy pillars of 2015-2020 were based on the principles of:

- Managing Inbound Numbers
- Improving the Quality throughout the Tourism Value Chain
- Minimise Seasonality

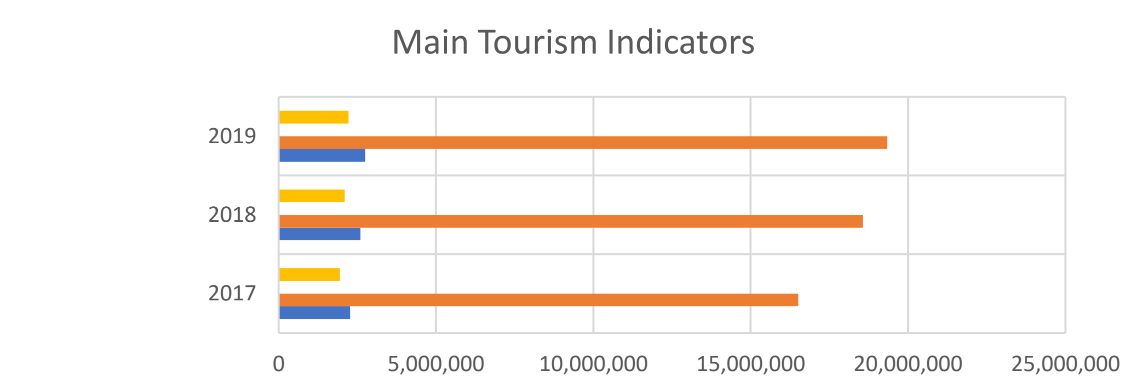
The relevance of these principles remains valid going forward into the newly submitted strategy.

Inbound tourism during the years 2015 to 2019 increased from 1.8million to 2.75million.

The year 2020 brought the dramatic events of the COVID-19 pandemic, where tourism across the board faced an unprecedented plunge. Malta's 2021-2030 strategy considers this event, where it also envisions the islands back to prosperity. According to Malta Tourism Authority (Malta Tourism Authority, 2021) strategy report, it forecasts that by the year 2030 inbound levels could reach up to 3.2million visitors.

A snapshot of the recent past tourism performance, versus the pandemic year 2020 is viewed in Table 1 and Table 2, respectively.

**Table 1 - Tourism Performance Snapshot**




| | 2017 | 2018 | 2019 |
|---|---|---|---|
| Expenditure | 1,946,894 | 2,101,765 | 2,220,672 |
| Average length of stay | 7.3 | 7.1 | 7 |
| Guest nights | 16,509,141 | 18,569,716 | 19,338,860 |
| Inbound tourists | 2,273,837 | 2,598,690 | 2,753,239 |

Expenditure Average length of stay Guest nights Inbound tourists

Adopted from: (Malta Tourism Authority, 2019)

**Table 2 - Tourism Snapshot 2019 vs 2020**

| *Inbound Tourism* | *Jan-Sept2019* | | *Jan – Sept2020* | *% Chg. 2020/2019* |
|---|---|---|---|---|
| *Inbound Tourists* | 2,135,425 | | 583,776 | -72.7% |
| *Nights Stayed* | 15,241,721 | | 4,381,920 | -71.3% |
| *Expenditure (€)* | 1,755,050 | | 392,835 | -77.6% |

Adopted from: (Malta Tourism Authority, 2021)

After many considerations and internal and external product audits, Malta Tourism Authority (MTA) agreed upon the formula title which will take the new strategy 2021-2030 forward, with Recover, Rethink, Revitalise. Equally satisfied were The Malta Chamber of Commerce, which added that (MTA)'s strategy will not only include sustainable and quality values, but also consolidate the importance of The EU Green Deal and the Digital Strategy (The Malta Chamber, 2021).

-Recover

Recovery aims at the efforts to get back on track and re-emerge from the abyss of the Covid-19 crisis within the shortest possible time span. To avoid delusive re-starts, and targets for a consistent, sustainable, and stable growth curve. Government initiatives include monetary vouchers distributed to all adult citizens, which are redeemed in hospitality and retail outlets.

-Rethink

Evaluation of the processes in context to the pandemic which had an effect on the overall broad outcomes of the socio-economic fundamentals. Also, taking into consideration the economic impacts, and the environmental situations. Where the latter benefited from the turmoil brought by the pandemic as it limited the movement of the people.

-Revitalise

Revitalising Maltese tourism to be more resilient to global threats and other competitors changing trends. The intention is to elevate the product principles to be more socio-economic friendly, sustainable, and valuable.

Strategic Vision:

*'To manage and formulate the future development of tourism to Malta in line with sustainability principles through strategies aimed at making the best use of the country's natural and cultural attractions in a way which balances between the welfare and well-being of the country's residents and the maximization of visitor economic value and satisfaction* - *(*Malta Tourism Authority, 2021).

Strategy Guidelines:

- Incorporate quality at all levels of the value chain
- Strengthen expenditure per capita
- Reviving tourism profitability
- Restore the airline network
- Managing accommodation expansion
- Recovering under the challenging conditions
- Addressing Human Resources
- Enrich the Customer experience
- Improving the Islands general appearance
- Minimising price-wars and diminishing pricing potentials
- Embrace modern technologies
- Channel investments in bed stock into other pivotal areas
- Stronger integration of Sustainable development goals in-line with the EU Green Deal

Implementation of the new strategy is an overlapping chain of events, where recovery takes first place. This aim is to close the gap between the current losses and the required levels needed to be achieved to foster operative profitability.

The principles of the strategy combine sustainability, economic and environmental progress, and social welfare. It also identifies that Malta will need to keep the focus on quality throughout the value chain, not necessarily related to luxury nor high prices. Nonetheless, quality must prevail.

Expenditure per capita is also forecasted to increase, to include new opportunities for sales in services, goods, and experiences. The ratio of growth expenditure is expected that should increase at a faster pace than that of the inbound pace.

To establish a status of quality destination of choice, responsible and sustainable quality developments are not to be jeopardised (Malta Tourism Authority, 2021).

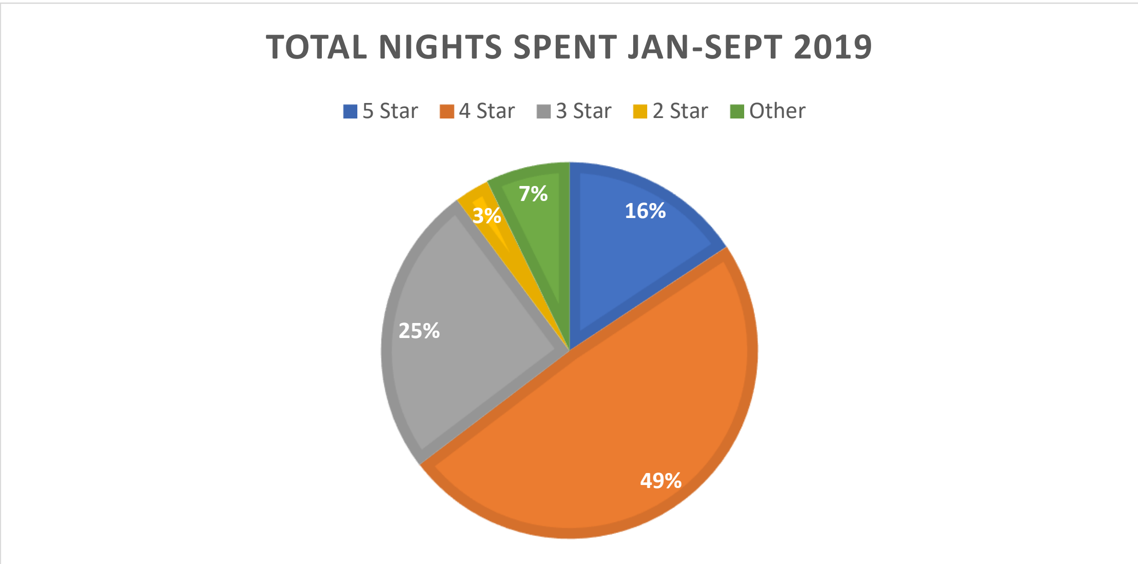
The author identifies that the new MTA strategy is theoretically sound and agrees with the driven focus on sustainability across its concept, including the improvement of skills in human resources. A particular focus is also noted towards an eco-environment that is also EU-driven. Effective recovery of the economics from the pandemic will influence the execution of the strategy. Nevertheless, the commitment towards quality offerings should remain paramount. Better control over the accommodation offerings is also expected to improve with specialised offerings in the local flair. The author also identifies that nothing was mentioned regarding the cultural preservation of local heritage. This includes the traditional baker trade, whose authenticity is drastically fading over time.

### 2.4.3 Accommodation

According to statistics reported by the National Statistics Office (NSO), in 2019 between January – September has recorded a total of 7,699,664 nights spent in accommodation on the Maltese islands combined. These include 5,4,3 and 2-star hotels, and others, which include guesthouses, hostels, and tourist villages.

The distribution is as shown in figure 2:

**Figure 2 - Distribution of Nights January - September 2019**




Adopted from: (National Statistics Office - Malta, 2020)

**Table 3 - Net Use of Bed Stock January - September 2019**

| | *Total Bedroom Stock* | Consumed Combined | Consumed in Malta | Consumed in Gozo and Comino |
|---|---|---|---|---|
| ***Hotel Rating*** | *Units* | % | % | % |
| ***5 stars*** | *3,192* | 69.8 | 70.8 | 53.7 |
| ***4 stars*** | *8,203* | 73.0 | 73.8 | 50.2 |
| ***3 stars*** | *4,933* | 67.1 | 67.5 | 57.8 |
| ***2 stars*** | *667* | 60.4 | - | - |
| ***other*** | *1,554* | 52.9 | 54.6 | 31.0 |

Adopted from: (National Statistics Office - Malta, 2020)

Accommodations registered within the 4-star segment seem to be the most favoured with just under half the total nights within the mentioned period.

The consumption of beds available on the Islands is categorically consumed according to each segment potential. Below, is the consumption viewed in percentage terms to total available bedrooms.

Overall, bedroom nights consumption in Malta is more popular than that of the rest of the archipelago. Within the segment, Maltese beds are consumed more in the 4-star category, followed by the 5-star. In Gozo, the 3-star category is preferred, followed by the 5-star and the 4-star consequentially.

According to the above table, most of the bedroom stock is within the category of the 4-star. This is followed by the 3-star. The 5-star bedrooms seem to be in the minority of the available stock.

Hotel rating does not distinguish between traditional chain hotels or boutique-style hotels. Tourism legislation does not include the definition of a boutique hotel, as laws date back to 1999. New updated laws are yet to be authorised by the Maltese Parliament. Hotels are categorised only by the star rating achieved. To characterize the style of the hotel, the author seeks to define the difference. According to the dictionary of Cambridge, a boutique hotel does not form part of a hotel chain, and it is fashionable, stylish, and small. Other sources describe a boutique hotel as being small with less than one hundred bedrooms, intimate, personal, with superior comforts, and stylish décor. It distinguishes itself by its unique character, and they strive to be one-of-a-kind. They can also form part of a hotel brand or an association, however, their independent attitude assures them to not feel like a corporate hotel.

The Hotel ratings are distinguished by a point form system according to the local legislation (GM, 2012), which is provided by The Authority. Since 2012, Malta is also a member of the Hotel Stars Union. This hotel criteria system forms part of HOTREC, the association of Hotels, Restaurants, and Cafés in Europe. Hotel Stars Union was formed by the hospitality associations of Austria, Czech

Republic, Germany, Hungary, Netherlands, Sweden, and Switzerland. Later, they were joined by Estonia, Latvia, Lithuania, Luxembourg, Malta, Belgium, Denmark, Greece, Liechtenstein, and in 2017 Slovenia. It aims in providing harmonised, transparent, and common criteria to hotel classifications within the participating countries (hotelstars, n.d.).

Achieving the ranks is a detailed classification criterion that covers services and amenities of the properties in question.

In point form, 2-star status could be achieved with 170 points and 250 points for 'Superior' status, 3-star must attain 250 points and 380 points for 'Superior', 4-star is attained by 380 points and 570 points for 'Superior', and 5-star is attained by 570 points and 650 points for 'Superior' status.

Therefore, hotel star rankings are achieved according to the points obtained from the criteria provided by The Authority. Although the criteria aim is to benchmark the standard, one should not underestimate the unique value and selling points of boutique hotel accommodation. Where the standard is not a standard, hence their unique value could contribute more than the star rating as it inflicts remarkable experiences.

A shortcoming is that there is no proper definition of a boutique hotel, and new buildings are either classified as guest houses or hotels, but not a boutique hotel.

Eco-Certification is another authorized standard eligible for environmentally friendly hotels. In total nineteen hotels qualify for this accolade by the MTA, the range varies from 5-star to 3-star properties.

### 2.4.4 Gastronomy and Michelin

According to the (Malta Tourism Authority, 2021) strategic guidelines, enhancing the gastronomic experiences would not only enrich the consumer's encounter but also would add value to the overall product supply chain. This important affiliation is to be linked between tourism, fisheries, agriculture, food processors, and food serving outlets through sustainable practices, farm-to-fork notion, and the local sourcing of produce.

Food and travel are the 'modus vivendi' of modern society. Food is an essential part of survival, and tourism represents part of everyday life. Both correlate to the human habits of eating out.

With the increased demand for tourists requesting authentic and specific destination experiences, the hospitality industry reacted by increasing the provisions and offers of novel culinary activities. Travelling to a specific destination to sample unique foods and/or wine products is considered an activity of culinary tourism.

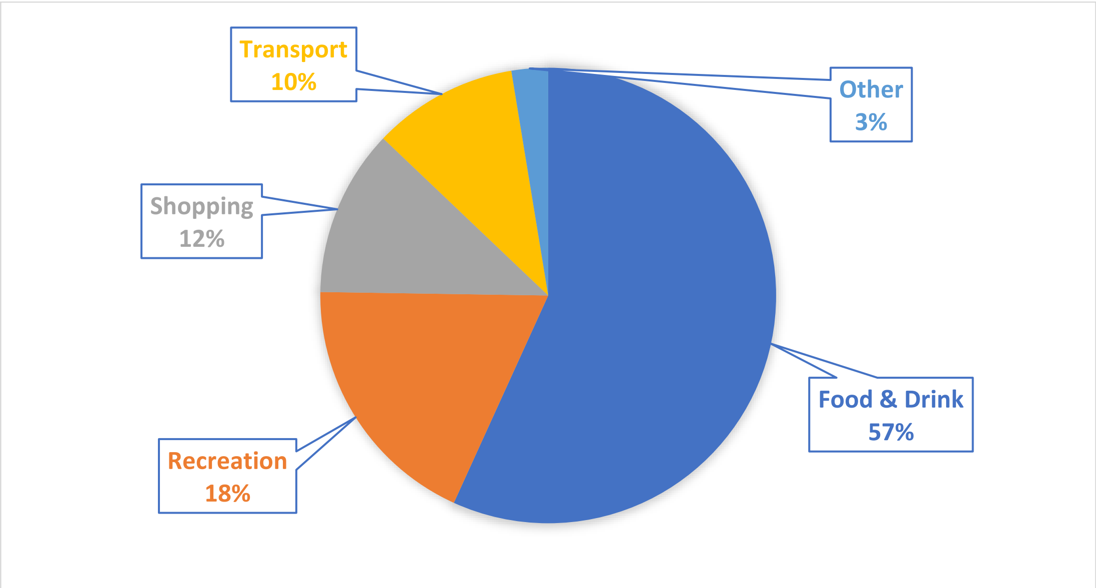
Experiences in learning vacations, agritourism, and gastronomy provide value to culinary tourism. Tourists engage with the destination's terroir through its food and wine culture. Thus, creating a memorable experience.

The compatibility of Culinary Tourism can be seen within the sectors of eco-tourism, slow-food tourism, sustainable tourism, and sustainable agrotourism. This is due that consumers often seeking beyond the need. They want to know from where the product has been cultivated or harvested, and if it is regional or local, or even imported.

Creativity in the eating culture goes beyond the functional value of food. As human standards are raised in all areas of consumption, consumers also seek luxurious and hedonistic pleasures, and knowledge experiences.

It is estimated that more than a third of the tourist expenditure is dedicated to food (Gheorghe, et al., 2014). According to an expenditure survey conducted by MTA in 2019 (Malta Tourism Authority, 2019), expenditure per capita on food and drink was €166.68. It quotes that 57% of individual spending goes towards food and drink-related products.

**Figure 3 - Expenditure Per Capita During Stay 2019**




Adopted from: (Malta Tourism Authority, 2019)

The Cuisine of a destination reflects the story of its history, culture, and its people, which is an important factor in the overall travel experience. Sustaining this concept, MTA is also extending its brand relationships with the giants like Michelin and Gambero Rosso (Malta Tourism Authority, 2021).

Michelin, which was established in the late 19th century, maintained its reputation for benchmarking and recognising quality cuisines from around the world. In 2020, Michelin launched its guide which featured for the first time the Islands of Malta. The guide highlighted the outstanding restaurants and their culinary delights. In total, three restaurants were awarded One Michelin Star. Two in Valletta, 'Noni' restaurant, and 'Under-Grain' at AX Rosselli Boutique Hotel, and one in Mdina, 'De Mondion' at The Xara Palace Boutique Hotel. Another three restaurants were also awarded a Bib Gourmand. In 2021, Michelin awarded another two restaurants, namely: 'Bahia' and 'ION' the Harbour. Within two years since the inclusion of Maltese restaurants in the Michelin guide, Malta celebrates five outstanding eateries.

For Malta, whose location is in the heart of the Mediterranean, and its cuisine is influenced by many conquering and surrounding civilisations, it has established itself as a gastronomic destination. Embracing the long-standing and diverse culinary history, MTA's advocacy for local and sustainable gastronomy together with the fondness of traditions has been fruitful (The Malta Business Weekly, 2020).

## 2.5 LUXURY TOURISM and CONSUMPTION

Since the ancient times of societies, forms of luxury consumption were always on the agenda of the elite. Lifestyle habits, experiences, and belongings distinguished the groups. In present times the evolution of luxury-travel experiences is a status belonging. Luxury tourism is an activity which is constantly practiced by those who possess substantial tangible financial resources. This relevance is to no effect on a country's national economic situation, where crises may impact the rise or fall of personal wealth. It is identified that people with adequate material resources purchase luxury holidays to express social status. Such behaviour is to portray a successful high level of life and presentation of themselves in social groups (Popescu & Olteanu, 2014).

The term luxury tourism as described by (Demir & Saribas, 2014) is a tourism type concept in which the suppliers offer high-priced products together with high-quality services. Luxury, which translates from the Latin word 'Luxus', is another term for splendour, extravagance, and sensuality. Other characteristics that justify the high prices of luxury include exclusivity, high quality, and scarcity. The authors identify the middle-aged generation of opulent baby boomers as the typical consumers of luxury. This group is considered to have a high level of disposable income, and adequate time for leisure.

Luxury tourism is rapidly evolving and its of immense importance for the travel and hospitality industry. Marketers of the segment assume that luxury tourism's impact on economic values is greater than other forms of tourism. Since the segment is generally made of higher spenders, they generally consume more expensive products (Demir & Saribas, 2014). However, one must also take into consideration the sustainable aspect of consumption and the long-term impact on the macro-environment.

One of the basic needs of travel is accommodation. Traditionally luxury travel contributed to luxury accommodations, as consumers seek or demand to satisfy their hedonistic needs. However, does luxury accommodation have to be more expensive than standard accommodation? And what separates them? The superior elements expected in luxury accommodations are mainly around the property facilities, levels of staff interactions, a wow-factor or experience and, value for money. The amount of money spent on accommodation would have to satisfy the consumer's expectations in all the mentioned factors. The more the expense, the higher expectations get (Harkison, et al., 2018).

Food and gastronomy are also part of the foundations of hospitality and travel. Luxury gastronomy is complex and forms part of luxury tourism’s attractive activity. Cuisines of luxury gastronomy go beyond the nutritional characteristics, as does the service. Luxury gastronomy providers, including elite chefs, are widely considered as part of the national cultural heritage of a destination. Consumers expect a high level of taste and want to experience a feast for the senses. Many times, it also emphasises cultures. Luxury gastronomy delivers authentic regional experiences and sometimes Avant-garde. This craftsmanship and heritage are transmitted through generations of knowledge where its intangible values are priceless (Barrere, et al., 2009). Luxury gastronomy goes beyond satisfying the human need for purpose, it offers hedonic values.

From goods to experiences, luxury hospitality, fine restaurants, and cruises all benefit from the growth of luxury tourism travel, as luxury purchases are consumed mainly by travellers and tourists. Top hospitality providers and hotel drivers like to think of themselves as a link of connection between the guest and the local experiences. Luxury hotels geographically collaborate to deliver expectations and to facilitate the interactions of the destination. Also, in frames of Corporate Social Responsibilities (CSR), hotels are being associated with authentic destination activity, tradition, and ethnicity which proactively such practices prevent mass-tourism (Belyakova, 2018). Among others, local companies also have their share in CSR. Corinthia Palace sponsors the ‘Beyond the Moon’ international charity, which organises family holidays for seriously ill children. Radisson hotels make a difference with ‘Responsible Business’ and is a pioneer in recycling practices and sustainability. Hotel 1926 offers Smart contactless services to maximise efficiency and minimise environmental footprint.

### 2.5.1 The Price of Luxury

The price of luxury is a correlation between product quality, consumer perception, and brand positioning. These factors contribute to the price dimension of luxury products. High prices are expected from consumers for products that are unique, customized, and quality/service oriented. Suppliers of luxury products are not expected to compromise quality standards; hence no discounts are expected. Personal variable values such as materialistic, hedonic, and self-identity affect the consumer's decision of buying a luxury product. Consumers of the luxury product do not look for price reductions or discounts, such an event would have a negative effect within the product marketplace and could jeopardize the brand loyalty of its customers. Price reduction is a traditional act to get accessibility into market share, however, the pricing of luxury should not be accessible to the many. The paradox of existence is that luxury must be expensive, and its growth is driven by accessibility, mainly to the middle-class (Uggla, 2017).

### 2.5.2 Expensiveness of Luxury

Is luxury expensive? By many consumers, luxury is still considered and expected to be expensive, although, today luxury is more accessible, or it has been democratized according to academics. The conception of luxury saw a shift from the elitist 'happy few' to the democratic 'happy many', as demanded by the evolution of the middle-class. Price is a key measurable characteristic of luxury being a product or a service, where the higher the price the higher the perception. The price itself is of no importance in absolute terms, the perception of expensiveness is exposed in an intra-categorical comparison. Consumers compare the value price differences of a product versus another within the same category. According to (Veblen, 2008) and the phenomena of conspicuous consumption, motivation for consumption is not driven by the functionality of the product, but by the ability it portrays to affect the external societies in gaining social statuses. This is an exception to the rule where price and demand do not move in the opposite direction. Nevertheless, expensive does not always classify as a luxury product. Luxury products are as expensive today as they were in the early twentieth century when consumers are willing to pay a premium price for prestige rather than function, which reflects Veblen’s presumptions of price and sale simultaneous rising (Gutsatz & Heine, 2018).

## 2.6 LUXURY and SPECIAL INTEREST TOURISM

Forms of luxury tourism are also found within the segment of (SIT). In the region of the Mediterranean basin, where the islands of Malta are found, a competitive product offer is key. The region has a reputation for its enchanting beauty and history, as well as it is one of the major popular destinations worldwide with over 320million visitors in 2015 (Mediterranean Growth Initiative, 2017). Nautical tourism, concerning open-sea and sailing activities, is not to be confused with bathing-tourism. In this form of purchase, consumer expectations are beyond the direct product. The process of travel and various levels of personalization are expected, and the monetary value is not a limitation. The existing destination product needs to be enriched by elements of excellence and activities. This is to be measured by the expectations and experiences of the tourists. Such measures would trigger and achieve a shift from conventional mass tourism (CMT) to (SIT) like in the case of Croatia (Alkier, 2019). However, the dilemma would be if the product can reach luxury status.

The 'Blue Growth' is the strategy promoted by the European Union for exposing the potential of the maritime economy in its coastal regions. Maritime tourism, sailing and yachting events, and the development of marine resources are now initiatives supported to aim to attract high-quality tourists within this sector. The sector activities such as The Rolex Middle Sea Yacht Race (RMSR) which is held in Malta, usually expose the host destination with various media coverage. Such events and media often help towards reviving relative antiquated maritime cultures by allowing such opportunities to develop into new special tourism markets (Jones & Navarro, 2018).

Special interest tourism comes in various ways with elements of craftsmanship and authenticity that are sought from the luxury segment. In relation, luxury craftsmanship is a segment of SIT which evokes experiential values. As an example, (Williams, et al., 2019) consider the emerging of the luxury beer market specifically targeting the luxury consumer. Classification of Beer is not commonly associated with a luxury product, contrary to the same category of champagne and fine wine or whiskey. Within the category, levels of intense craftsmanship practices distinguish between a luxury product and not. This could be translated into levels of accessible, intermediate, and inaccessible luxury, which most of the concept applies throughout the luxury product segment. The value factors which distinguish categories from premium, ultra-premium, or luxury remain levels of quality, accessibility and scarcity, authentication, and uniqueness (Williams, et al., 2019).

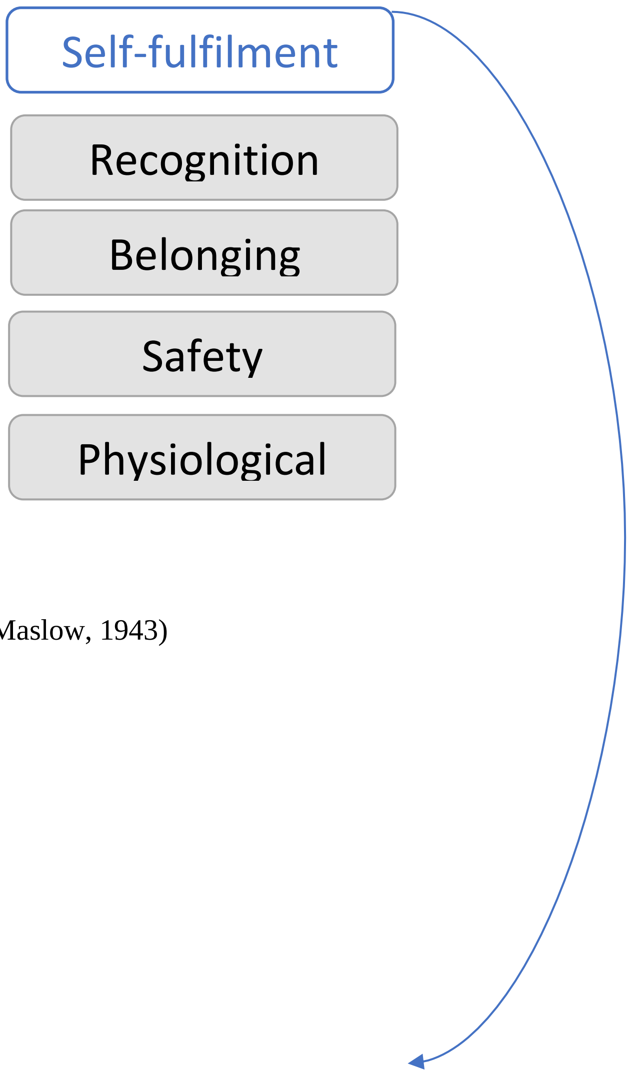
Diversification of tourism products is a key factor for the Mediterranean hosts, especially to those stagnated destinations whose tourism core was based on sun, sea, and sand. The thought is to identify alternative ways of tourism to reinvent, rejuvenate, and sustain the region. Governance of smart tourism policies would sustain the practices towards the identified segments. It is also of utmost importance the marketing strategy and diversification according to the special tourism interest groups identified. Diversification into creating niches would eliminate the concentration of a single product. Various niche activities and experiences would attract various specific travellers with a special interest in authenticity. These events would then sustain uniqueness and contribute to the overall product's competitive advantage (Samora-Arvela, et al., 2020). The phenomenon in Malta has gained awareness since the year 2000. Awareness and good intentions are not enough for implementing smart tourism policies. Political agendas are to be kept aside, all stakeholders including citizens are to be committed, and a dedicated team with know-how and determination must be formed to implement the tourism policies (Rachel, 2007).

## 2.7 THE HIERARCHY of NEEDS

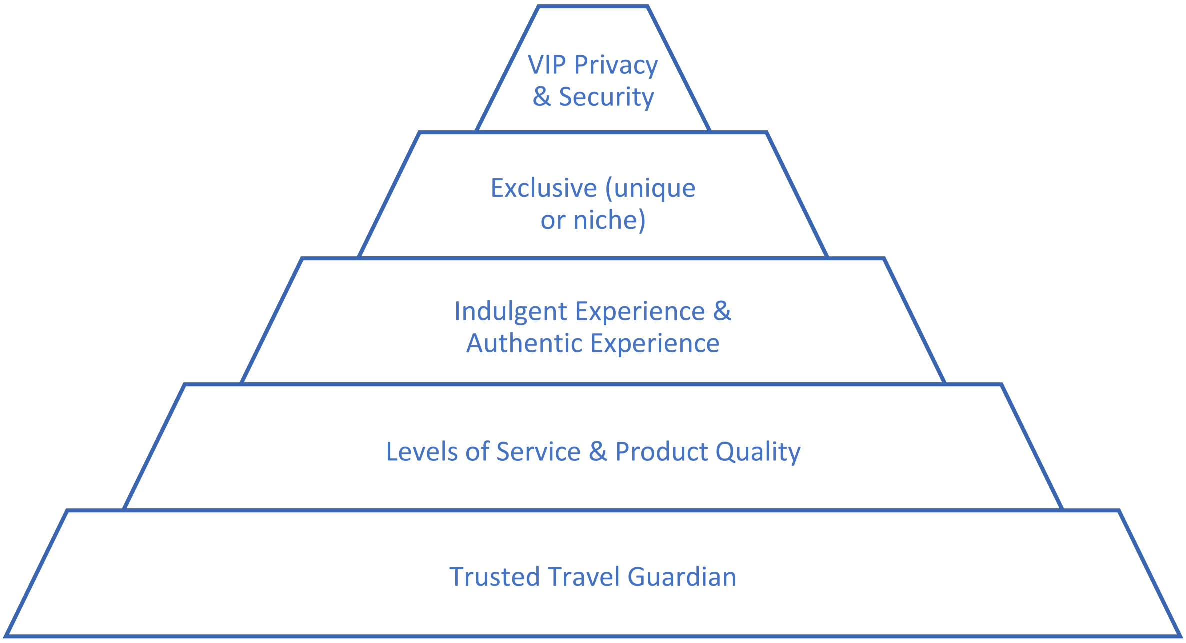
Understanding the new luxury travel is the ability to adapt in real-time. As customers evolve, mature, and grow so do their markets, where enrichment of life experiences is more sought after rather than materialistic belongings. The luxury perception of consumers can also change within the time of a single holiday. Luxury service providers are in an era that constantly requires understanding and rapidly fulfil the expectations and demands of their customers.

Figure 4. represents the needs of the luxury traveller. The top tier extends into another pyramid matrix shown in Figure 5.

**Figure 4 - Hierarchy of Needs**




Adopted from: (Maslow, 1943)




Adopted from: (Dykins, 2016)

Consumers' needs are also divided into categories of high and low touchpoints (Dykins, 2016). This is to the discerning of the service providers, where understanding the needs of the luxury traveller is key. This service depends on identifying the right balance between moments of customer independence and interactions throughout their stay. Characteristics include:

High-touch tourist

- Appreciate guidance throughout the purchasing processes
- Make use of technology in tandem with private service
- Willing to engage in unintrusive connections with the service providers

Low-touch tourist

- Minimal intersection throughout the purchasing processes
- Make use of technology for satisfying their own needs
- No engagement and privacy are preferred at all times

## 2.8 TRIBES of the LUXURY TRAVELLER

What one would value as a luxury for others might be ordinary. The luxury traveller perspective of things differs from one person to another. For some, the elegance of private butler and silver service are imperative, whereas, for others serenity, tranquillity, and a superb view are all it takes.

(Batat, 2019) identifies two main profiles of the luxury consumer, the post-modern and the trans-modern. Luxury consumption is transformed from modern society to post-modern. The consumption of the former is influenced by the value of the services and products. Individualism and diversification were limited, as societies placed the consumer at the end of the process. Post-modern consumption goes beyond the product and its economic values. It engages in both experience and emotion. Trans-modern luxury consumption can also be referred to as green luxury. This exceeds both modern and post-modern value consumptions. Trans-modern luxury practices are recreational, and from an eco-collaborative perspective, they engage the consumer and the environment. It is a thoughtful approach to responsible luxury consumption.

The various levels of affluence affect differently the behaviour of purchase and the intentions of the consumer. Although this segment of special interest tourists is non-institutionalised, they can be further segmented into tribes as described by (Dykins, 2016):

- Always Luxury

Luxury is what they do, money is not an issue. They are consistent with their travel behaviours, and they do not alter to other tribes.

- Special Occasion

Luxury travel is a treat. Experiences take over luxurious aspects and are willing to sacrifice the luxuries for an incredible travel experience.

- Bluxury

Destination travel objective is business. However, they have ample resources to extend and adapt their travel-stay after business to leisure.

- Cash-rich, Time-poor

Responsibilities dictate their doing. Plans constantly change and they do not necessarily fulfil their holiday objectives. Usually, they outsource their planning to third parties and are willing to pay top money for recreational times, as it comes limited.

- Strictly Opulent

Luxury indulgence and living life to the full. This tribe seeks the most glamourous of travel and sharing experiences on social media is as important.

- Independent and Affluent

Luxury travel is a method for pampering oneself. With no restrictions, this tribe flexes to indulge at its own pace, with or without any peers. They expect that the service provider is taking good care of their choices.

## 2.9 CONSUMPTION of FUTURE LUXURY

What are the prospects of luxury? The only way is up! As traditional luxury is becoming increasingly accessible, suppliers constantly are seeking to evolve their products within the same category to another level of prestige. This evolution transforms luxury into super luxury, and thereafter to hyper luxury. In other words, the future consumption can be described in four scenarios:

a) Trading up – as the middle class emerges and grow, consumers are constantly trading up with the ease of accessibility, persistently sharing the playground with the super-rich.

b) Prestige Luxury – From owning a super-yacht to a submarine, and adding to own collection the finest of arts, or a football team. The seriously wealthy seek exclusivity and status belonging.

c) Enrichment and experiential – Customers in search of *savoir-vivre*, and indulgence in the superior spiritual untraditional experiences, which could be also exposed to the social networks.

d) Craft and authenticity – Craftsmanship and connoisseurship of specific fine cultural elements that could represent wine or food. The art and complexity of cultural understanding through the power of knowledge (Yeoman & McMahon-Beattie, 2018).

## 2.10 SUSTAINABLE LEGACIES of LUXURY

Environmental awareness and respect are not the only understanding of sustainability. Sustainable luxury involves national cultural and art preservation and maintenance of legacies and local craftsmanship. The core pillars integrate cultural, social, economic, and environmental dimensions. Luxury is mainly perceived with common characteristics such as quality, hedonism, price, uniqueness, prestige, personal, and Avant-garde. However, luxury sustainability also contributes towards know-how and craftsmanship, slow-time, preservation, tradition, and transmission of knowledge and culture through generations. As mass-consumptions grow so does unsustainable luxury. Hence the importance of connecting to the artesian and the craftsman where preservation and safeguarding of resourceful cultural knowledge and traditions are paramount (Poelina & Nordensvard, 2017). Personal values and actions are subject to influence community behaviour and social change while leading the way to a higher level of sustainable and qualitative practices.

## 2.11 CONCLUSION

According to statistics, more than 49% of tourist's motives visit Malta for sun and culture combined, with less than 5% of motives for travels of both Scuba diving and Wellness. Food and drink are the next highest expense tourists are willing to spend on after accommodation (Malta Tourism Authority, 2019). Although the main market remains loyal to the Sun destination, Malta has come a long way from being a Sun and Sea landing place relevant to the 3S mass tourism. Qualitative efforts are seen through various industries, and the infrastructure has been greatly improving over time which is paving the way for the luxury travellers.

As per observance, high levels of accommodation, gastronomy, and cultural heritage remain the foundations for luxury tourism. However, evolving trends of consumption push the boundaries for niche markets. Reputable Gastronomic events in Malta are constantly building momentum. Fine wine makers visit the islands is perhaps an opportunity to extend their business into new markets and leave legacies behind. Culinary giants like Eneko Atxa and Alex Dilling collaborate with local entrepreneurs to serve world-class pop-up dinners. So did the London-based Maltese chef Martin Carabott, winner of the prestigious Roux Brother Scholarship. Such events are delivered with great attention to detail, and they keep raising the bar of the local gastronomy scene.

Not only trends, as we have experienced, dramatic times such as the Covid-19 pandemic, have also influenced the consumption behaviours. As authority restrictions moulded the way with limitations and constraints, the desire to consume was never diminished. People might be very cautious but still are eager to travel and await the times to satisfy their conspicuous needs. Perhaps the consumption related to luxury hospitality could be more appreciated, valued, and desired, as in most cases it was hindered.

Malta has a potential in attracting high calibre travellers with special interest, as well as travellers which would like to soak up the Mediterranean summer sun. Identifying the market is key, as stakeholders and suppliers must understand who their customers are prior to landing.

Sister island Gozo, which could only be accessed by ferry, is also a cultural hub where local traditions are much celebrated. Agritourism at 'Ta'Mena' gives a sense of taste of the island's rural lifestyle, whilst enjoying local and indigenous food and wine. Gozo is also home to some of the nicest diving sites, where tourists purposely travel to explore. With regards to accommodation, Kempinski Hotel San Lawrenz is a luxurious treat, where wellness and Ayurveda programs are appreciated.

The authentic upgrading of Gozo's infrastructure is essential to attract the luxury travellers with a special interest in niche markets, including medical. Luxury travellers want authenticity, and Gozo has all the potential to host.

Although the literature review is quite extensive, it had its limitations. Admission to many potential publications is not easy to access and read. Furthermore, the right of entry to other governmental, environmental, and NGO's 'grey literature' is restricted. This research is also limited to data related to golf, diving, and wellness tourism. The author could further suggest deeper insights to be explored on the islands of Gozo and Comino.

# CHAPTER 3

## RESEARCH METHOD

# RESEARCH METHOD

## 3.1 INTRODUCTION

This chapter describes the methodological methods and procedures of which the author undertook to obtain the resourceful data, and how the findings were developed within the research. In Figure.1, the author illustrates the build-up of the thinking and research process, underlying a philosophical thought. This study, its process, and its investigations are all approached within the limits of an affordable framework. The most important resource the author had to allocate in this investigation was time.

The research questions aim to explore the possibilities for the Islands of Malta in supplying sustainable luxury services and products. The outlook is systematic, and analytical processes are implemented to aim to discover the possibilities of a luxury tourism destination.

### 3.1.1 Research Methods Adopted

The authors' *modus operandi* involved various approaches of how to extract and put together the knowledge. Curiosity led to the phenomena of unstructured observation, which is further described in section *3.2.2.*

In order to collect the primary data, the author identified the necessity to conduct a distinct questionnaire targeting the field-specialists. The methodological approach in gathering the specialists, or the sample, was a purposive and heterogenous one, of which was thought to be more specific and direct towards the subject as outlined in section *3.4.1.* The sampling method and, *3.4.2.* Advantages and disadvantages of purposive sampling. The qualitative data was then de-coded via various methods of content analysis, narrated in section *3.2.2.2.* Method and process of analysis.

## 3.2 DATA COLLECTION METHODS

The research, which is qualitatively driven, is based on both primary and secondary sources. Secondary research also referred to as desk research, is gathered mainly through various reputable online sources. This includes literature from peer-reviewed journals mainly extracted from ProQuest followed by Google Scholar, subject-related textbooks, and other governmental archives.

The primary research, or field research, in which the author was directly involved is presented to the selected population in the form of a tailored survey. In this case, the author specifically customized a set of questions to target the specific sample groups. Namely, restaurateurs, two segments of hoteliers, entrepreneurs, Destination Management Companies (DMC), the entities of Malta Tourism Authority (MTA), and Institute of Tourism Studies (ITS).

The findings from the field research are processed and analysed. The author uses the transformed data in comparing the seven groups' behaviours, also collectively as one sample. These details are further discussed and presented in Chapter four.

### 3.2.1 Unstructured Observation

Throughout the process of building this paper, the author got absorbed by the subject's happenings and occurrences of the surroundings. This process, at times, positioned the author to juxtapose the actualities through an unstructured observation. It is believed that this method allows the author for a deeper understanding of the subject and its variables, however, high risks of bias could occur as he becomes more involved within the phenomena (Boyd, 1985). For such a reason, the importance of secondary data is essential to be able to balance the thoughts and materialize the observations.

### 3.2.2 Primary Research

The strategy for the collection of raw data addressing the research questions was formed onto a survey questionnaire. The format of the questionnaire included both open-ended and closed-ended questions. In order to collect the primary data, it was identified the necessity to perform a distinct questionnaire targeting the field-specialists were also introduced to measure the behaviour of some subject matters. The growing web-based questionnaire methodology means that the population sample would receive an email and once accepted to open, it will take you to a secure platform to be filled accordingly.

The qualitative raw data from the questionnaire is collected and analysed. Using the Microsoft Office online tools, and where possible, the data was translated into quantitative data charts and figures. This balanced combination reflecting qualitative and quantitative data aims to establish a better picture of understanding the behaviour of the sample responses.

#### 3.2.2.1 The Survey Questionnaire

The build-up of the questionnaire took place after twelve-months of significant field observations and the undertaking of secondary research which was related to the question. The questionnaire aimed to formulate questions to be able to minimize the gaps in the literature. Also, to understand the pulse, possibilities, and limitations of the stakeholders.

The questionnaire was distributed to seven different groups of stakeholders within the hospitality industry. Each group had specific questions related to the nature of their profession or field of network, as well as some of the questions were based on common principal grounds. The sample groups are better described in point *3.4.3* were also a motivation of why the author chose the groups described.

The questionnaire probed into the knowledge of the sample groups on the subject with questions related to the personal understanding of sustainable luxury and its consumption, as well as their views for betterment of the industry. The questionnaire also challenged the more recent episodes of human resource values and the attractiveness of a career in hospitality. All of which is to affect the possibilities in the supply chain of sustainable luxury processes.

#### 3.2.2.2 Method and Process of Analysis

Since the nature of the study is based primarily on qualitative data, the author identifies that the most appropriate method to interpret the data is by adopting the principles of Content analysis, involving Word Clouds and other online tools. Content analysis allows for qualitative data to be transformed into quantitative or numerical data, it is also thought to be reliable and time efficient. Word Clouds were formed to extract the keywords related to the questions. This audit will allow the author to better explain and interpret the data collected.

The process of converting the raw data from the questionnaire was all aided by online Microsoft Office tools and Google programs. The survey questionnaire was built using Google Sheets, which in itself the program breakdown the information received. However, this alone was not enough to maximise the raw data conversions. The raw data gathered was also transferred onto Excel spreadsheets, where specific Microsoft tools were used to convert the qualitative data into quantitative charts and graphs. This process facilitated the conversion of the primary data, where the author could then present the measured findings in a quantitative format which better visualise the results.

#### 3.2.2.3 Ethics

With the involvement of human participants in research studies, ethical considerations are a critical requirement for understanding, although it is not forced by law. Sensitive moral issues may arise during the process; hence the moral objective is to research in respect to preserve the interest of the participants (Walton, 2015). For such a reason, with every mail sent to each participant, a consent form was attached highlighting the principle ethical values of the process.

These included:

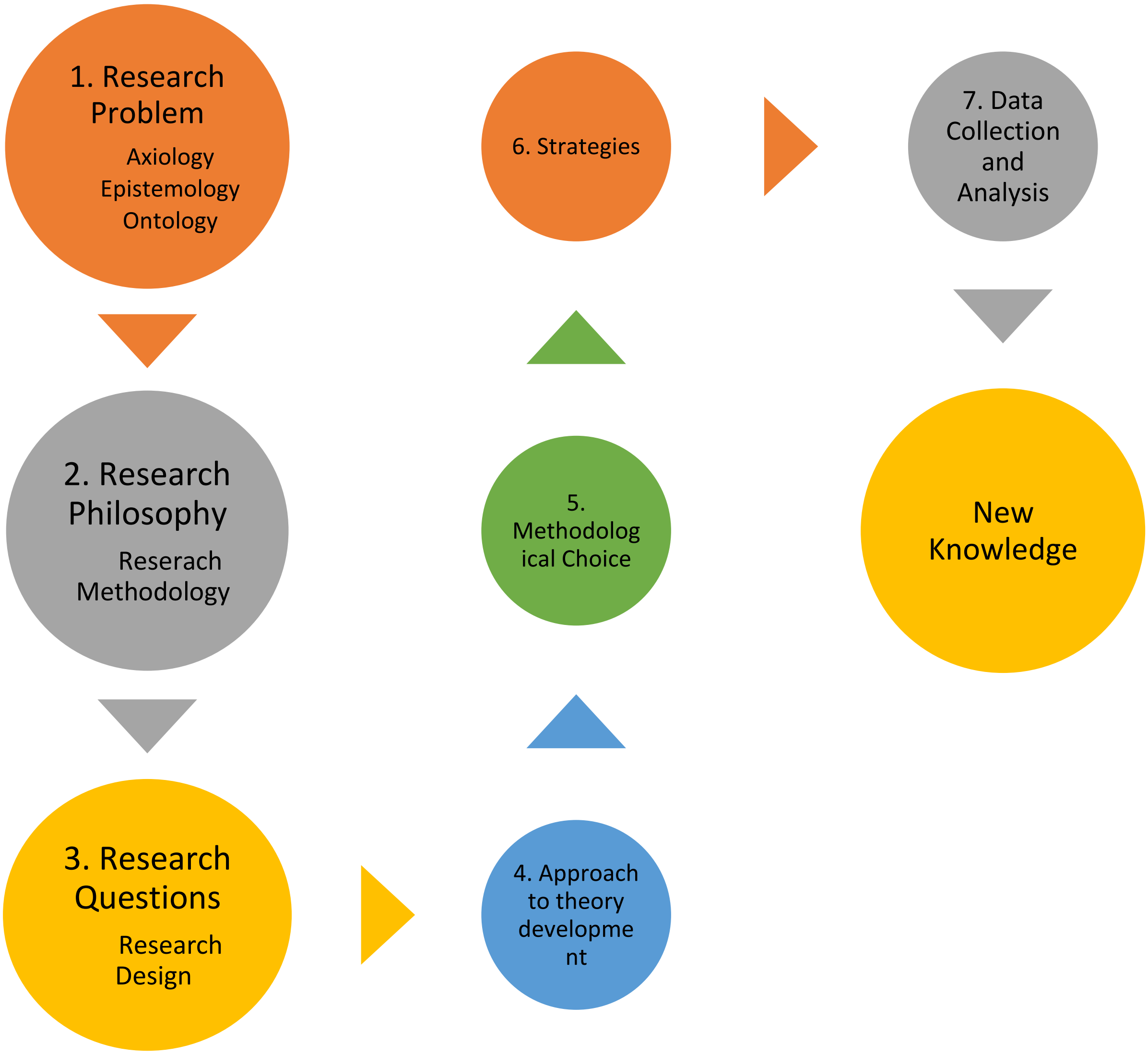
- Voluntary Participation
    - Each participant was given a choice whether to engage or not engage in the survey questionnaire. They could withdraw from participation at any time or refuse to answer any of the questions without any kind of consequences. Also, no personal benefits were given when participating in the research.
- Anonymity and Confidentiality
    - The consent form also specified and gave the right to the participant to disclose personal information, and to choose if their feedback is preferred to be named, or to remain anonymous.
- Safety and Dignity
    - At all times the participants had the opportunity to participate or withdraw their partaking in the survey.
- Freedom of Speech
    - The nature of fair individual opinions is established, and further contacts are allowed in seeking clarifications and information.

### 3.2.3 Secondary Research

In secondary research, the author summarises the literature data already published by others. It is considered one of the most used methods for data collection (Micallef, 2017). Within this text, the author refers to several third-party electronic documents found online, including journals, dissertations, books, websites, blogs, reports, and articles. The data collected is featured in Chapter two as the literature review.

## 3.3 THE PROCESS of RESEARCH

**Figure 5 - Research Methodology Process**




Adopted from: (Morgan, 2021)

Figure.1 illustrates the process-flow of research and how new knowledge was achieved.

The research problem is formed and approached with philosophical thoughts of Axiology, Epistemology, and Ontology. Axiology represents the values of the subject and its valuations, Epistemology justifies the scope and the theory of knowledge, and Ontology reflects into the realities and its existence. All of which forms and influences the research methodology and design. This leads to a theory development that facilitates the methodological choice and guide strategies which formulate the data collection, resulting in the new knowledge (Morgan, 2021).

## 3.4 THE SAMPLE POPULATION DESCRIPTIONS

This research is based on the reflection of the Islands of Malta with relation to luxury tourism. The author's aim is to collect insight knowledge from the hospitality and tourism industry experts, including the various luxury segments of culinary, accommodation, and DMCs as outlined in Table 2. The sample population is specifically selected to cover the hospitality sector-major stakeholders. For each segment, it is targeted to reach out to the selected individuals and invite their senior management positions, or an expert of the field to participate in the survey.

### 3.4.1 The Sampling Method

The method used to gather the sample could be also described as purposive sampling, selective, judgemental, or subjective sampling. It is based on the characteristics of the population and the study objective. Here the author is relying on his judgment in choosing the right sample to gather the specific data.  A purposive sample is also a non-probability sample, and it is different from a convenience sample (Crossman, 2020).

Expert sampling has been prioritized to gather first-hand knowledge and raw data on the study directly from the population's expertise. Since the sample population is considered experts, their insight is very valuable towards the research output.

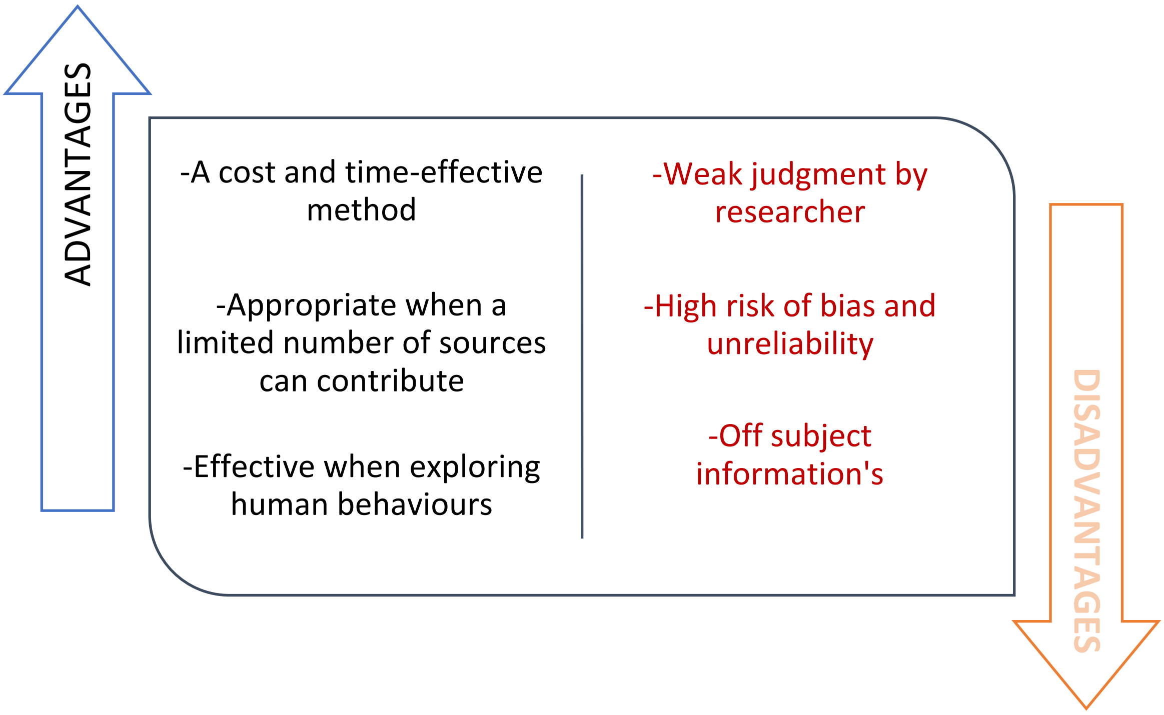
One of the main reasons why the author preferred this method over others, is that only a limited number of experts could allow for such feedback. The entities and authorities of choice do not have an unlimited number of Executives, out of which achieving a 100% participation is not guaranteed. It is noted that 27 participants or 51% from the whole sample of seven groups did respond and contributed to the questionnaire presented.

To maximize the variability of the raw data, the author adopted a Heterogeneous sampling method. This is where the author's judgment in selecting the participants included a level of diversified characteristics between the sample (Crossman, 2020).

### 3.4.2 Advantages and Disadvantages of Purposive Sampling

In Table. 1 hereunder, the main advantages and disadvantages of a purposive sampling method are highlighted and juxtaposed against each other.

**Table 4 - Purposive Sampling**




Adopted from (BRM, n.d.)

### 3.4.3 The Sample Population Groups

The Population sample is divided into seven different groups as presented in Table.2, each one representing a segment from the Hospitality Industry. The author considers that the seven groups hereunder represent the most influential stakeholders within the sector.

**Table 5 - The Sample Groups Overview**

| ***Segment*** | ***Role*** |
|---|---|
| **Institute of Tourism Studies (I.T.S)** | Provides the professional human resource to the industry. |
| **Malta Tourism Authority (M.T.A)** | Creates and fosters relationships and regulates the industry. |
| **Five-star Hotels** | Supports tourism by understanding and providing luxury hospitality. |

| | |
|---|---|
| **Boutique Hotels** | Attracting niche tourism markets with their the upscale and/or unique products |
| **Restauranteurs** | Tailoring dining experiences. |
| **Entrepreneurs** | Crafting business ideas. |
| **Destination Management Companies (D.M.C)** | Maintain, promote, and provide absolute knowledge of the territory. |

Below are the mentioned segments with the author's motivation of choice.

- The Institute of Tourism Studies (I.T.S.)
  - From the perspectives of the national institute of tourism shaping the future of its alumni and beyond, in reach for the luxury services.
- The Malta Tourism Authority (M.T.A.)
  - Promoting the advancement of Malta as a tourism destination with a strategic positioning of the islands, including its marketing vision and local policies.
- Five-star Hotels
  - The main supplier of overall luxury needs and experience providers
- Boutique Hotels
  - Attracting the niche markets with their specialties
- Restaurateurs
  - The epicure of service providers and gastronomic experiences.
- Entrepreneurs
  - The driving force for all the private investments taking place
- Destination Management Companies (D.M.C.'s)
  - They push the boundaries of activities and happenings at all levels whilst creating exclusive experiences.

## 3.5 LIMITATIONS of the SAMPLE

Overall, the sample is limited to the author's choice. With a 51% participation rate from all the survey invitees, the total number of participants who undertook the questionnaire was 27. Within this sample group, a gender balance was not achieved. Other constraints include:

- The limited size of the population
- Short time allocated to distribute and collect data
- The survey used was predominantly in a qualitative format, hence the outcome was formed in a certain way

Participation between the selected groups was not at the same level, as for some of the group's activity was higher than others. The group segment with the most participation were the Five-star hotel executives, followed by boutique hotel managers, DMC's principals, and restaurateurs. The other segments, namely entrepreneurs, and the entities of ITS and MTA respectively, represent the minority of participants. Hence one cannot interpret the results per segment, but rather as a whole sample.

## 3.6 CONCLUSION

The main purpose of this chapter is to identify and describe the methodology used to collect and interpret the raw data and the research findings. The evaluations of the raw data, together with the findings from the secondary data, will equip the author with new knowledge. With this knowledge, the author will be able to identify, discuss, and highlight any opportunities or possibilities, and shortfalls for the consumption of luxury services in Malta. The insights from the stakeholders could also represent an opportunity for the government entities to rethink or remodel a strategic vision for the benefit of sustainable *deluxe* services in hospitality. The general outcome of this research should also be considered in the light of a small sample size. Therefore, it should be explored as a guidance to serve to a broader research project.

# CHAPTER 4

RESEARCH FINDINGS

# RESEARCH FINDINGS

## 4.1 INTRODUCTION

In this Chapter, research findings, the primary data are configured from the source and presented. Content analysis methods are used to describe the qualitative findings. A technique of the systematic and objective manifest description (Bernard, 1952), where the same findings are presented predominantly in quantitative formats but also some graphs are in a qualitative format.

As the sample findings are extracted from seven segments of hospitality stakeholders, namely restaurateurs, two segments of hoteliers, entrepreneurs, Destination Management Companies (DMCs), and the entities of Malta Tourism Authority (MTA) and the Institute of Tourism Studies (ITS), the author's aim, where possible, was to try to achieve a diverse sample from within each segment. This heterogeneous sampling method was possible in some segments, however, limited to other segments. For example, the restaurateur's population includes businesses from various locations in Malta, including Valletta, Rabat, and Mellieħa. Of which they carry different levels of accolades, including Michelin rated. The Five-star hotel sample, which also includes the Five-star superior status properties, described under accommodation in Chapter.2 section 2.4.3, are from the localities of Valletta, Attard and St. Julian’s. They are also distinguished by bed-room stock, and their services of various amenities.

The sample was also limited geographically to the island of Malta, as no correspondence was collected from the sister island of Gozo.

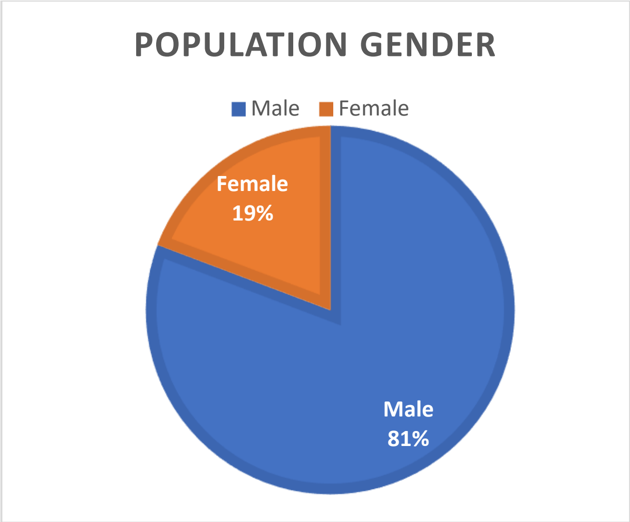
## 4.2 THE POPULATION SAMPLE DEMOGRAPHICS

The demographic data of the population sample are segmented, measured, and presented in a quantitative format. This will allow a better understanding of the group mix which participated in the survey.

### 4.2.1 Population Gender

The Gender of the population sample shown in figure.6 is dominated by the male sex, where it represents 81% of the total participation. Female participation is 19%. This result highlights a male-dominated survey.

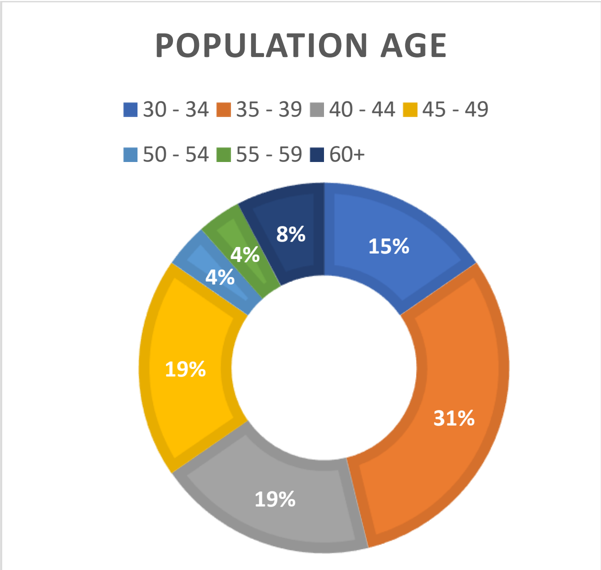
**Figure 6 - Population Gender**




### 4.2.2 Population Age

In terms of age, the sample is dominated by the adulthood age group category of between 35-39years old. The author perceives that most people in this age are very active in pursuing goals related to career life, social, and personal. This is followed by the age groups of between 40-44years and 45-49years, which both represent a 19% share of the sample. The youngest group age is between 30-34years, and the middle-age group between 55-59years represent the least of the population with 4% of the sample.

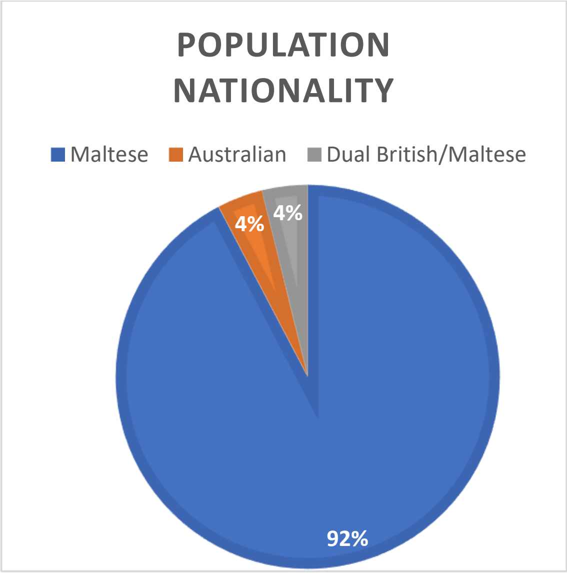
**Figure 7 - Population Age**



### 4.2.3 Population Nationality

Although the study is geographically limited to Malta, it does not necessarily mean that all participants are Maltese. The demographics of the sample population confirm that a minority is of foreign origin, namely Australian, or represents dual citizenship of British/Maltese.

**Figure 8 - Population Nationality**

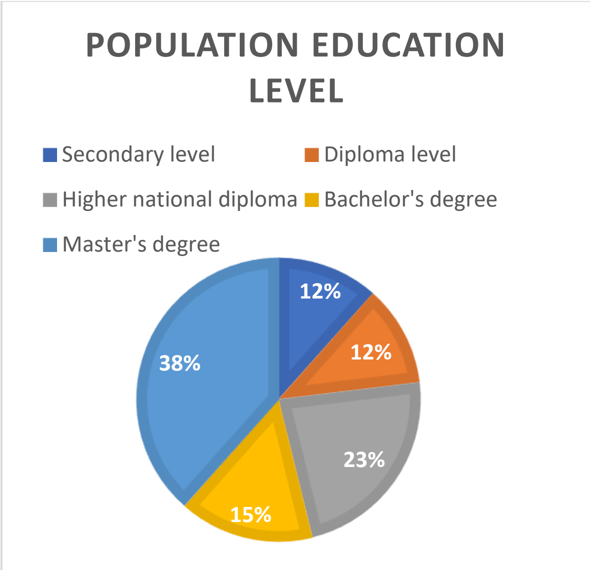



### 4.2.4 Population-Level of Education

The sample education and academic levels vary throughout the population. Levels of expertise are not always measured with academic qualifications, especially within the hospitality sector, where the required skills are beyond academic needs. Nevertheless, skilful, and academically qualified personnel are an asset to the hospitality industry and can make a difference within their sector in competitive advantage.

It is noted that within the population sample 38% of the participants attain a Master's degree level of education, which is the highest ratio in the group. It is followed by 23% of the sample certified with a Higher National Diploma, and 15% achieved a Bachelor's degree. Overall, it is noticed that the level of academic education within the sample population is quite high. The lowest groups with both percentages representing 12% have an academic level of secondary or diploma.

**Figure 9 - Population Education Level**

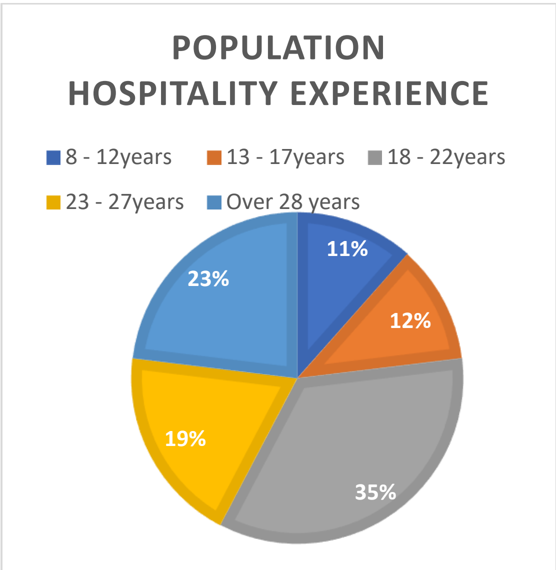



## 4.2.5 Population years of Experience in Hospitality

Trade experience is an essential part of the progress of one's career within the hospitality industry. The richer the experiences, the higher the personal value.

23% of the sample have over 28years of experience in hospitality, which is the greater value. This is followed by 35% of the sample which has between 18-22years of experience. 19% of the sample have 23-27years of experience in the field, and the last group with experience of between 8-12years represent 11% of the sample.

**Figure 10 - Population Hospitality Experience**



## 4.3 DEFINING LUXURY

What is luxury? A question was asked to the population to define luxury. Out of all segments, the experts have their views, perspectives, and expectations concerning luxury services and consumption. With all the gathered data, a Word-Cloud method was used to highlight the principal words used by the experts in defining luxury. Figure.11 points out the most frequent twelve words used when the population is defining luxury. The words in the larger font represent a higher rate of occurrence. Among others, the prevailing text words are:

- Service
- Product
- Comfort

**Figure 11 - Keywords in Defining Luxury**


When the question is further broken down into the stakeholder segments, one would relate the prevailing words within. Restaurateurs, collectively further describe luxury as a sense of enjoyment of the finer things with higher levels of quality, atmosphere, and service.

Luxury hotel executives, in particular one from a Five-star hotel in Valletta, describes luxury as affordable excellence. Mr. N. Debono, located at a Five-star hotel in St. Julian's at the time the questionnaire was conducted, underlined that emotional engagement is a priority in offering elevated services and products.

Others associate luxury with special feelings, crafted services, detail, comfort, and elegance.

Personalization, uniqueness, and exclusivity are highlighted by the boutique segment. Feeling factors are also underlined by the high level of services and products. Entrepreneurs describe ultimate levels of experiences and art in detail. Others mention luxury could be different things to different people, the fact of being pampered, and to achieve the satisfaction of one's physical and psychological needs.

## 4.4 CHARACTERISTICS of the LUXURY PRODUCT

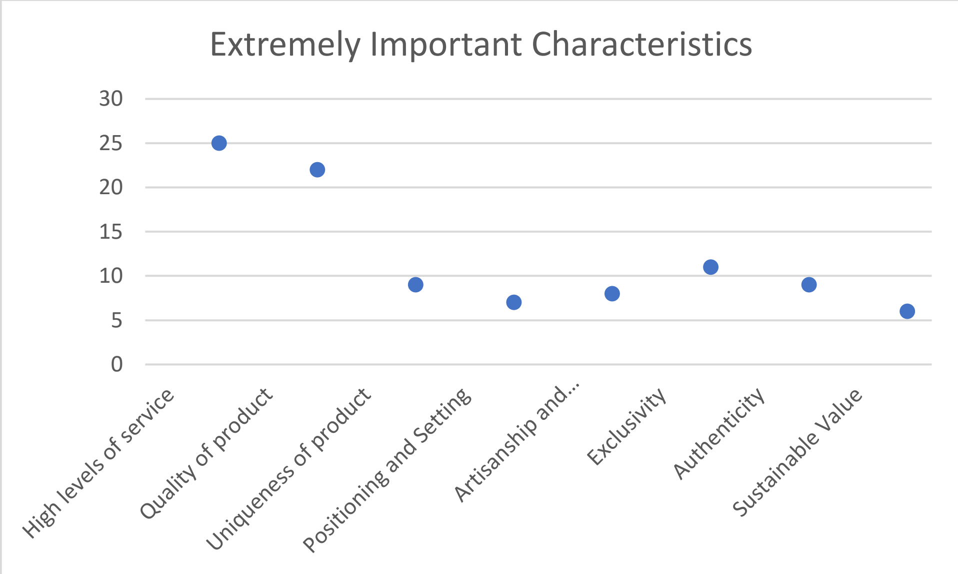
The luxury product is made up of various factors which all contribute to the delivery of an expected experience or service. These factors are better described as the characteristics of the product which brings together the values and its DNA. The characteristics are measured by their level of importance to a luxury product. These include:

- High levels of service
- Quality of product
- Uniqueness of product
- Positioning and Setting
- Artisanship and Craftsmanship
- Exclusivity
- Authenticity
- Sustainable value

The population rated each of the characteristics in conformity with the importance of a luxury product. In Figure.12, the characteristics are illustrated concerning the extremely important factors in contrast with each other. Therefore, the population sample suggests that the most three important characteristics a luxury product should have include:

1. High levels of service
2. Quality of Product
3. Exclusivity

**Figure 12 - Characteristic Levels of Luxury**




These are followed equally by-product Uniqueness and Authenticity. In contrast, the least important characteristic of a luxury product according to the sample is Sustainable value. In Figure.12, the overall distribution levels of importance are summarized.

**Figure 13 - Overview of Luxury Characteristics**

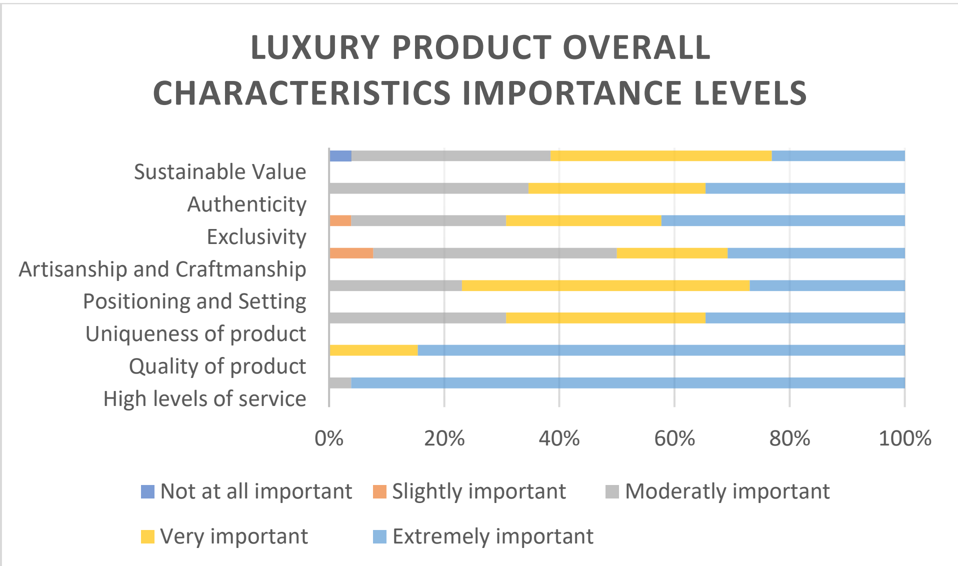
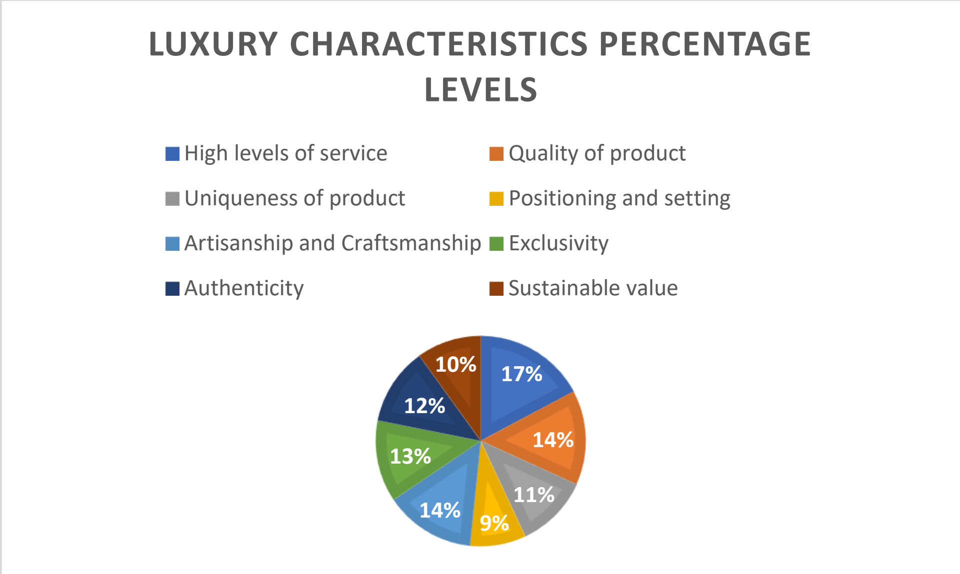



Figure. 13 represents the level of importance in percentage terms with reference to the number of mentions of the luxury characteristics. High levels of service are the most mentioned characteristic with an extremely important factor which scores 17%. The characteristic of artisanship and craftsmanship was mentioned more within the very important value, as highlighted in yellow in Figure. 13. However, in percentage terms, it scored equally at 14% as the quality of product characteristic.

**Figure 14 - Luxury Characteristics Importance Percentage Levels**




In Figure 14, the luxury characteristics importance levels are illustrated in percentage terms.

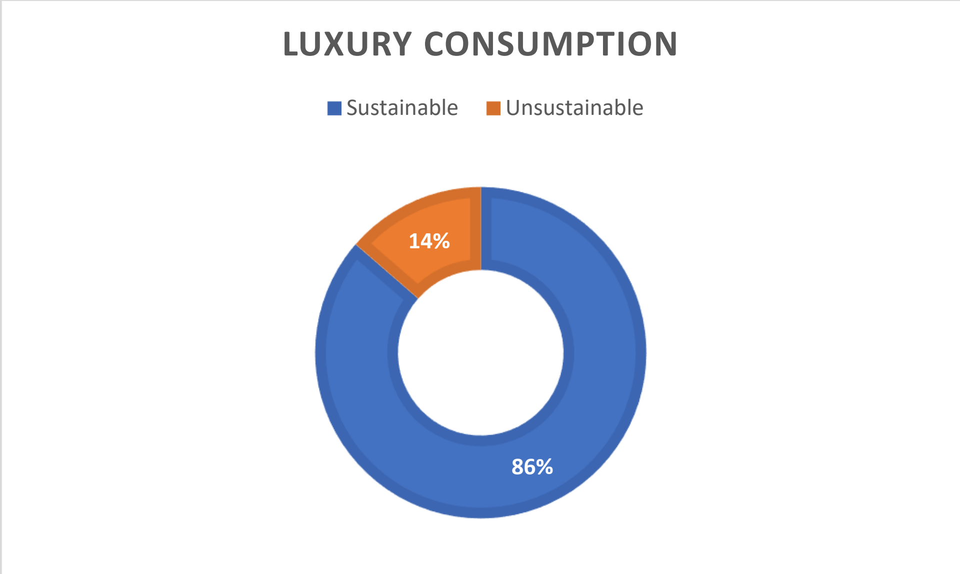
## 4.5 SUSTAINABILITY

The definition of 'sustainable' according to Oxford dictionaries is - *the use of natural products and energy in a way that does not harm the environment.*

### 4.5.1 The Luxury Consumption

The continuation of sustainability, following the population ratings on the importance of sustainable values of a luxury product, the population majority agree that luxury consumption is sustainable. 86% agree that luxury consumption is sustainable, and 14% disagree.

**Figure 15 - Sustainability of Luxury Consumption**




The 14% of the population which disagrees with the fact that luxury consumption is sustainable, argue that luxury generates high levels of waste, in terms of foods and also unrecycled consumables. Also, they refer to the extension of the environmental pollution, and the carbon footprint, which subsequently has affected climate change. Others refer to the social dimensions and the macro environment, where funds and resources leak from the hosting country in an attempt to benefit the eccentric needs of the top-tier in society.

The overall viewpoints of the population. whom think that luxury consumption is sustainable, claim that: -

- *Luxury does not necessarily mean heavy consumption as people are increasingly willing to pay more for outdoor spaces and natural surroundings.*
- *Local sourcing and quality-driven produce are generally made with more attention; hence it is a series of sustainable values. Also, luxury products tend to be less intrusive and demanding on the environment.*
- *It is also argued that sustainable initiatives are viewed as more luxurious within the perspectives of younger generations.*
- *Luxury experiences and services of intangible values are more sustainable than tangible products.*
- *Some explain that luxury is a perception and does not need to be unsustainable. If the focus is on luxury, and luxury consumption not based on excessiveness, then every product and service should be modelled on sustainability.*

- *Others suggest that it is not always sustainable, as it is not always cost and priced accurately.*
- *Luxury Consumption is significantly more sustainable than other experiences. It is smaller in volume terms, focused on the individual, and comes at a premium price. Luxury consumers are looking for value but understand the price that comes with elegance and bespoke treatment. It is therefore far more sustainable than low-price, low-quality disposable experiences which yield little benefit and are ultimately low in their value component despite their cheap price.*
- *It is sustainable as it is limited to a small number of people.*
- *So far it is sustainable. However, if more permits will be given to luxury boutique properties, and more restaurants achieve top status (example. Michelin), it will be more difficult to make ends meet as the number of luxury travellers to the island is limited. Thus, it will be more difficult to have sustainable levels of business throughout the year.*
- *Presently, luxury consumption volume is low due to the high cost involved. The comfort usually expected of luxury travel requires that capacity is kept low to ensure comfort levels as well as the sense of exclusivity. These factors can assist in minimizing both social and environmental costs on society.*
- *The consumption of products and services can widely range on a sustainability scale - from highly unethical, inefficient, high-carbon products, and services, to very ethical, efficient, and carbon-neutral products and services.*
- *The scale with which a sustainable product or service may be measured will also depend on the level of detail, and the suppliers' strategic policies.*

*For instance, an electric motor vehicle may be considered luxurious in terms of the (debatable) environmental consciousness. As well as a fuel motorised vehicle may adopt materials that are re-generated from sustainable sources. The latter being a debatable matter too. All in all, Luxury is highly subjective.*

### 4.5.2 Stakeholders Sustainable Value Ratios

As more and more people are becoming aware of the environmental dangers the hotel industries are causing, guests are choosing hotels with more sustainable values and practices which support the environment.

Thus, sustainable operations are a key feature in the hotel and hospitality industry. Globally, hotel entities are constantly adopting procedures for making their operations more efficient and sustainable to reduce their impact on the environment. 1926 Hotel & Spa in Sliema promotes conscious processes with paperless services, among other sustainable efforts and contactless services.

The segments which were asked how sustainable their operation is, and which values are mostly fostered within their companies, were limited to four. Namely.

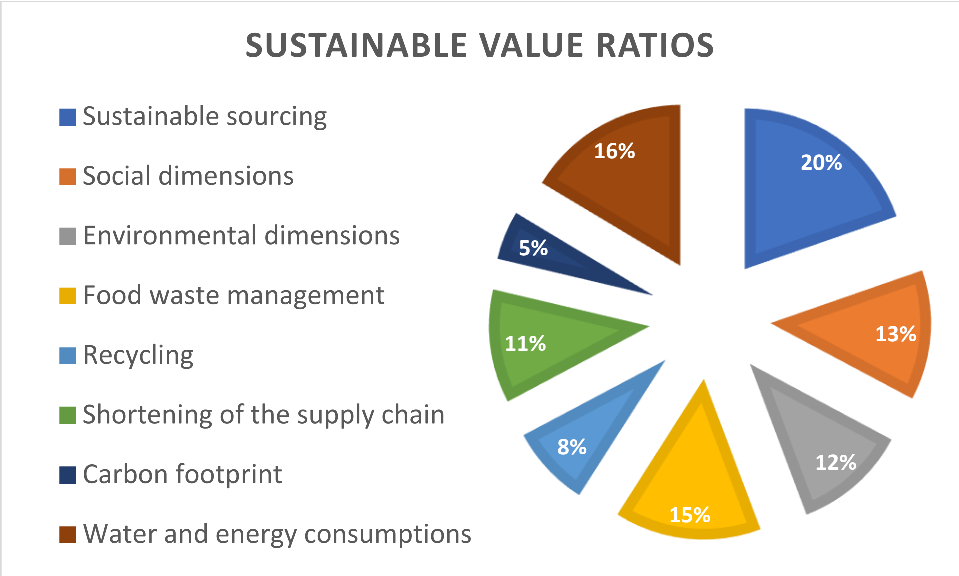
- Restaurateurs: operating in the locations of Valletta, Rabat, and Mellieħa, of which the majority are Michelin rated.
- Entrepreneurs: who include Ms. C. Zammit Xuereb, and Mr. J. Zammit Tabona,
- Five-star hotels: including The Phoenicia Malta, Corinthia Palace, and Intercontinental Malta
- Boutique hotels: includes Rosselli, and Domus Zamittello

These valuable practices include:

- Sustainable sourcing
- Social dimensions
- Environmental dimensions
- Food waste management
- Recycling
- Shortening of the supply chain
- Carbon footprint
- Water and energy consumptions

Figure.11 shows the ratios of which sustainable values the suppliers adopt. The limited population response marks that sustainable sourcing is the most valuable practice hospitality entities perform in, with 20% of the sample. This is followed by 16% having sustainable water and energy infrastructures and consumption, and 15% adopting processes of Food waste management. The least practiced sustainable value highlights the carbon footprint, where not much focus seems to be given from this group.

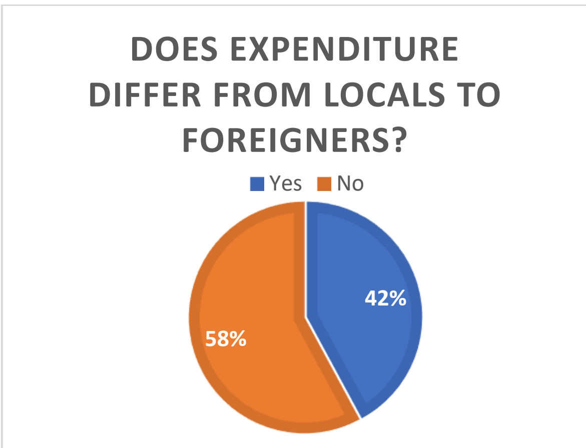
**Figure 16 - Sustainable Ratios**




## 4.6 LOCAL Vs FOREIGN CUSTOMER VALUE

The value of a customer, in monetary terms, is beyond the country of origin, nationality, ethnicity, or race. It is dependent on the individual value set. Although in general terms, one can generalize or assume that the local market has less or more spending power than the tourist or traveller. For such a reason, the stakeholders were asked if they notice a difference in expenditure between locals and foreigners. Figure.17, represents the stakeholder's answer to the question is a yes or no format. Where 58% of the population replied no, in which they find no difference in expenditure between a local customer and a foreign customer. 42% however replied yes, they notice a difference in expenditure between a local guest and a foreigner.

***Figure 17 - Local vs Foreign Expenditure***



Mr. N. Debono argues that the main differentiator is the need of the customer. The buying power, elements of time, motivation, or even the reason for the visit. All of which contribute to the levels of expenditure.

Restaurateurs operating particularly in Rabat and Mellieħa find that foreigners are less hesitant to spend on quality products, even on food and beverage consumables. Boutique hotel operators highlight that foreigners are more likely to splurge on amenities and experiences beyond their accommodation needs. They tend to seek more luxury tours, transport, and fine dining restaurants. Certain cultures are prepared to pay more for luxury, whilst others see it as an extra expense. It is also noted from one of the segments that with regards to accommodation, locals would prefer the mainstream hotels with larger facilities and possibly lower prices. However, an independent restaurateur who operates a Michelin star restaurant in Valletta, finds that locals and foreigners do not differ in their spending power. Entrepreneur Mr. J. Z. Tabona also experienced the same assessment.

Locals and foreigners have different appetites. Categorizing the market by local and foreign is not enough. One would need to break it down into segments and perhaps social status.

## 4.7 MALTA LUXURY PRODUCT SEGMENTS

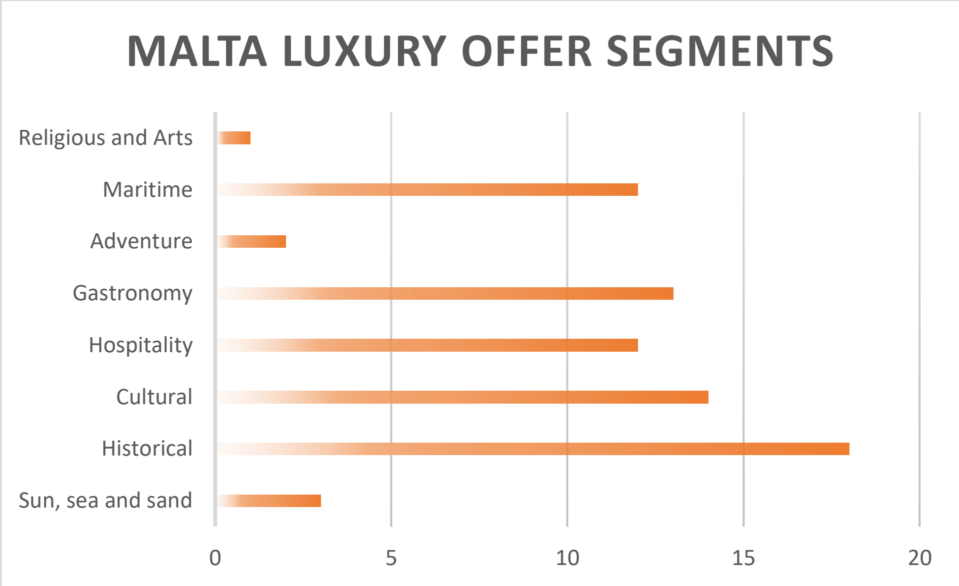
Does Malta have a luxury product offer in any of its segments? The stakeholders were asked for their opinion if they think Malta has a luxury product within any of the provided segments. The segments suggested where:

- Religious and Arts
- Maritime
- Adventure
- Gastronomy
- Hospitality
- Cultural
- Historical
- Sun, Sea, and Sand

Entrepreneur Mr. W. Zahra Jr. challenged the fact of having any luxury products or described it better as there are some small expanses of luxury in hospitality and cultural areas, but these are few and far between. Malta is simply not a destination that is seen as one of luxury even though there is the potential to get there one day.

In Figure.18 it is shown that most of the population think that Malta offers a luxury product in the Historical segment followed by the Cultural segment. Gastronomy, Maritime, and Hospitality follow suit.

**Figure 18 - Maltese Luxury Segments**




## 4.8 STAKEHOLDERS CHALLENGES

The stakeholders within the sample are coming from various segments of the industry. Most challenges differ from one another, where others relate together.

### 4.8.1 Restaurateurs

Restaurateurs face many challenges and understanding the common challenges will help the industry succeed. The more recent phenomena of Covid-19, seemed to be stirring up human resources, as not only it is noted that staffing levels have diminished, but also the level of skills. A skilled employee is hard to find, keep, or get in today's circumstances.

The main points highlight:

- *Finding talent*

- *Overall staffing levels*
- *Sourcing limitations*
- *Guests' expectations*
- *Product creation*

Restaurateurs feel that they also have limitations with their sourcing of products, which is a crucial part of the supply chain process. Guest expectations are on the rise. Post-Covid, customers are eager to consume quality experiences and are more appreciative of the services. Finding talented personnel to be able to deliver and exceed beyond the guest expectations could be very challenging.

### 4.8.2 Hoteliers

The five-star establishments represent hotels with bed-stocks of between 100-450rooms. Hotels with 100 rooms or less are considered Boutique. Although one would think of similar challenges, some characteristics vary in between.

*Five-star Establishments:*

- *The balance between creating the magic for guests whilst nurturing colleagues at the same time*
- *The impact on travel post-covid*
- *Hospitalities lack skilled human resources*
- *Maintaining guest expectations within the fluctuating times*
- *Keeping up with new trends whilst trying to lead in innovation*
- *Recruitment, expenses, utilities, maintenance, demanding customers*

### 4.8.3 Boutique Establishments

- *The limitation of revenue - even knowing the accommodation and Food and Beverage prices are on the high side.*
- *Attracting top talent to work in the luxury hotel means that the payroll costs will be on the high side and so are the staff to guest ratios to always ensure top quality service.*

*Thus, costs eat away most of the turnover generated. High labour costs, high maintenance bills to ensure that the product always remains fresh, and high sales commission levels accommodations, make it hard to achieve an acceptable level of Gross Operating Profits and Return on Investments.*

- *Smaller in size reflect in limited amenities in compare with larger hotels*
- *Less space for revenue streams*
- *Lack of physical and human resources expected by the luxury customers*
- *Limit or outsource key responsibilities – such as marketing*
- *Upkeeping of the historical buildings*
- *Resistance to change and innovation*
- *Compromise between guest expectations and costs*
- *Limited space for recycling and waste sorting*
- *Limited purchasing power*

### 4.8.4 Entrepreneurs

The entrepreneur aims to create a balance to achieve a quality viable business. The challenges include:

- *Having the right price at the right volume*
- *Balancing Cost Vs Benefits*
- *Operating in the wider context of the Island which does not always exude luxury*
- *Alignment of vision with local and foreign demand is not always easy for clients just like us changing trends and likes*

### 4.8.5 MTA

- *The decline in demand due to Covid-related impacts*
- *Levels of Attractiveness – One of the biggest challenges Malta is facing, is excessive construction of which is ruining the attractiveness of the island*

### 4.8.6 DMC

- *Lack of product development and destination quality.*

*The over-development and the lack of holistic project management with regards to St. Julian's, is giving the tourist a completely different image of our destination.*

- *The lack of promotion of the benefits in having a local DMC available to tailor the guest experiences*
- *Designing a program for which to be a genuine experience that is delivered well. Options are limited, but one must manage the surrounding experience too*
- *Connectivity, overdevelopment (construction), level of service, and overpricing*

### 4.8.7 ITS

- *The biggest challenge is to compete with other lucrative business segments that are also offering good careers to students*
- *The travel, tourism, and hospitality sectors are losing their appeal to the new generations of students. This comes as the sector, which is typically dependent on innovations from other sectors, is struggling to re-invent itself to meet the demands of modern-day society.*
- *With the segment being highly dependent on the human element at its core, various investors shift their focus from the human element to other aspects such as real estate capitalization.*

*In this respect, countries such as India and the Philippines are indeed known to be the human capital providers of the world, which is part of the reason why the dynamics of the employees in the sector are changing. At a global level, one can see that people from developing countries may find that the sector is a good solution for their economic needs, and hence it is easy to generate economic migrants. The minimal barriers of entry make the segment attractive for developing country nationals, however, the developed countries face a situation where their nationals are discouraged to work in.*

- *Other aspects that negatively impact the appeal of the sector include work-life balance and remuneration packages, which other sectors are offering to the new generations.*

## 4.9 SUGGESTIONS for GOVERNANCE TOWARDS SUSTAINABLE LUXURY

The Word Cloud in Figure.19 represents the most thirty words used when the stakeholders were asked for their suggestions for better governance in driving Malta towards a sustainable luxury destination. The most highlighted word was *infrastructure*, representing 7.77% of the word cloud. It is followed by *invest*ment, *hotel*, and *quality*, with 6.80% and 5.83% respectively.

**Figure 19 - Keywords in Governance towards Sustainable Luxury**


The keywords are collectively debriefed hereunder in point form, where a more detailed representation of their meaning and the intention is described.

- *Invest more in talent*
- *Better planning in road works, alternative transport to cars, higher standards in the construction industry, create more green spaces, target high-quality tourists, fix the wage regulation orders (WRO) for the hotel and catering industry*
- *Focus more on public sanitation and cleanliness*
- *Education and support to the industry. The need to focus on the basics of training to hospitality staff to understand the benefits of delivering the best possible experience*
- *Stick to the plan. This will require dealing with the hard decisions which cannot be swept under the carpet concerning the construction, education, cleanliness, and corruption*
- *Stop giving out hospitality licences to everyone applying. Focus on quality. push for better infrastructure*

- *Invest in better quality infrastructure, limiting construction, ensuring cleanliness in public spaces, additional green areas*
- *A level of control for permits on many hotels and boutique hotels must come into force. Tourism numbers we had pre-covid, were in my opinion a challenge to handle infrastructurally, and with more hotels-beds on the market, this will lead to price wars of which is not sustainable.*
- *A deep analysis needs to be done on why students from the Institute of Tourism Studies (ITS) are leaving the island to work in top-quality establishments. It is a pity that after having invested in our students, the fruit of this investment is being lost. Local hotels are having no choice but to recruit from abroad, and thus this is diluting the local hospitality element.*
- *An investment in cleaning and landscaping, and the continuous improvement of the road infrastructure is imperative as many times the experience outside the hotel walls falls short of the expectation of a luxury traveller.*
- *It is very difficult to achieve, as Malta had embarked on a mass tourist concept many years ago and the infrastructure got adapted to this model. Moving towards luxury tourism will involve an overhaul of the local infrastructure, mentality, and service. A substantial amount of investment will also be required by the governmental-education sectors to improve and educate what product is being offered*
- *Create a valuable infrastructure, followed by coaching people*
- *Offer tax incentives for properties that engage in sustainable practices; both social and environmental*
- *Control construction and construction methods. Limit new low-cost accommodations*
- *Understanding what luxury is. Followed by government and stakeholder gatherings to work closely together and strategize how to get there*
- *Change the mindset in the way tourism is looked at. It needs a massive overhaul in approach and attitude if we want to be seen as a luxury destination one day in the future*
- *Guide investments towards sustainable principles*
- *Control development and improve on quality. Incentivize the private sector to invest in the luxury sector*
- *Educate the local community and increase cleanliness*

- *Honestly, I think it's too late. The over-building of the towns has gone too far. Now you must have a complete plan which encompasses the environment in town centres and planning regulations that make sense. Then maybe you can stop the rot.*
- *Understand the importance of the market and stop the overdevelopment*
- *Add barriers to entry for unqualified employees and headship positions within the segment*
- *Bind headship positions in travel, tourism, and hospitality to post-graduate education and training*
- *Develop sound green policies, and infrastructure (including transpiration - land, sea, and air)*
- *Encourage use of local and seasonal produce*
- *Protect and brand Maltese gastronomy*
- *Control development and over-development*
- *Continue to invest in the infrastructure of the country*

## 4.10 SUGGESTED AREAS for IMPROVEMENT

In Figure.15, the words *infrastructure* and *all* are the pick-out of the theme. It is followed by *service*, *quality*, and *hospitality* among other words. This information is about the stakeholder's population opinion in which areas would need to improve to attract the luxury market. Figure.20 is followed by more detailed exclamation points about the areas for improvement.

**Figure 20 - Keywords in Area for Improvement**

- *Focus on the holistic needs of the luxury traveller. Consider the whole experience from arrival to departure. Useless getting to a beautiful hotel and having a rude taxi driver who does not care about delivering personal service*
- *Cleanliness / Accessibility / Quality of service / Quality of hospitality / Attention to detail / Destination marketing / Reputation management*
- *Islands infrastructure, overall cleanliness, and reputation*
- *Hospitality in general, and more so the infrastructure around Malta*
- *Reducing construction, improving the quality of service*
- *High street luxury designer shops, exclusive beaches, more local intimate experiences as most tours and attractions remain mainstream.*
- *There is too much commoditization of every aspect mentioned, even in gastronomy. Although, with the introduction of Michelin for restaurants, some form of luxury seems to be introduced. For the rest, there is a long road ahead*
- *Bespoke services targeted towards this market beyond accommodation*
- *Better hotel facilities. Many of the facilities deemed as luxuries have now become the norm*
- *A greater focus on technological innovation*
- *Stop the focus on mass low yielding tourism*
- *All segments*
- *A complete change in mindset. We must move away from looking at the number of tourists to the overall experience we are offering. The recent offering of vouchers to attract tourists post COVID is the epitome of the opposite of what luxury is all about*
- *Improve the signage of roads for tourists to understand where all diversions are going*
- *Maritime. Places like blue lagoon which is possibly one of the most attractive places to go to are not organized*
- *Hospitality, our rooms in hotels are way too small to be branded as a true luxury product. They are good and nice but many a time they lack the true comforts of luxury*
- *Cultural. Accessibility example: - our sites are constantly being looked after but why are we limited to a 9-5 time and not have longer available hours*
- *Service, Authenticity, local produce, all built around eco-friendly concepts*

- *Control the over development and improve the product quality with reference, not to the painting of benches along the Sliema promenade. A serious and holistic approach is needed in St. Julian's and Qawra. We need to move away from individual development to a more holistic approach*
- *Service, in general, need to be more authentic*
- *Our historical cities are pretty much doing what should be done, other parts of the island, like St. Julian's, have simply too many buildings or buildings that need repair. They cannot be considered a luxury. Luxury can be attained in Valletta, Mdina, the Three Cities, and Gozo. Where even there you have some flaws*
- *Quality of the Environment*
- *Giving professional and excellent customer service to meet the client's needs and expectations*
- *Hospitality services, Heritage, and Maritime infrastructure*

## 4.11 INSIGHTS from Destination Management Companies (DMCs)

Within the region of the Mediterranean, the population of DMC's seems that their favourite destination of choice would be Italy. As they describe its region's diversity, culture, and versatility. Equally favourites for diversity are Portugal and Greece. They highlight their cuisines and wine cultures, with the latter favours the geographic sectors.

### 4.11.1 The Region's main Destination Competitors

Some DMCs describe that - *Any destination that has an airport is a competitor. The Maltese market share is a fraction of the whole pie of tourists that visit the Mediterranean region. Nevertheless, if I had to single one competitor that attracts a massive influx of American tourists in Italy. North America is a market that we should work harder to attract as their average spend is much higher than that of the Europeans, with a longer average stay.*

Figure.21 shows the destinations which by the DMC sample population thinks are the region's main competitors to Malta.

**Figure 21 - Malta's Main Regional Competitors**


## 4.11.2 The Top 5 Luxury Markets

According to the destination management companies (DMC's), the top 5 markets which mostly request a luxury product of Malta are: -

1. United States of America
2. Canada
3. Brazil
4. The Middle East and Asia – excluding China
5. French

# 4.12 INSIGHTS from the Institute of Tourism Studies (ITS)

The students of today represent our future of tomorrow. Hence the importance of the institute and the responsibility it has as a stakeholder, in part of the continuation for a strategic advancement of the industry's product.

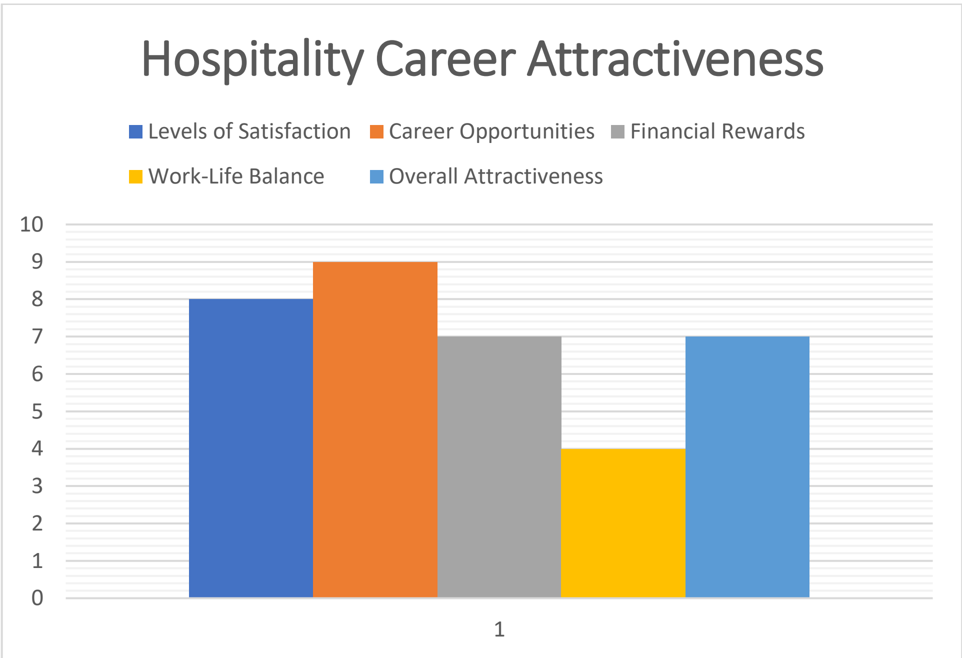
The ITS sample population agrees that the institute provides or includes a luxury-related curriculum in various sectors. It also fosters luxury as an overall spectrum within which is included in the subjects of, Catering, Climate-friendly travel, Diving, Heritage, Business Management, and Maritime.

When the sample was asked if the students are prepared to work in the luxury industry it seems that yes, ITS students are willing to be working within the luxury sectors. Also, they added that - *The Institute* *provides the opportunity for students to learn their foundation and develop it by their inspirations and aspirations. It is therefore up to the student to take the learning experiences at the Institute and in Industry to where they deem fit.*

## 4.13 HOSPITALITY CAREER ATTRACTIVENESS

In part for the longevity of the hospitality industry, one must sustain a relative workforce to deliver the services and products alike. For the industry to be sustainable, human resources, which is its main resource, must be at the forefront of priorities within each strategic decision. To better understand the dynamics of human resources and the industry, the population was asked about what they think about a career in hospitality, and how attractive they think it is.  Figure.22 represents the attractiveness of a career in hospitality as suggested by the sample population.

**Figure 22 - Hospitality Career Attractiveness**




The sample indicates that the most attractive part of a hospitality career is the level of opportunities one gets within the same industry. This is followed by the levels of satisfaction. The financial rewards are the overall attractiveness are less popular, followed by the least attractive occurrence within the industry, the work-life balance.

The sample group median ratings on each segment were measured by the level of attractiveness ranging from 1 – 10. 1 being the least attractive, and 10 highly attractive.  The results indicate the following:

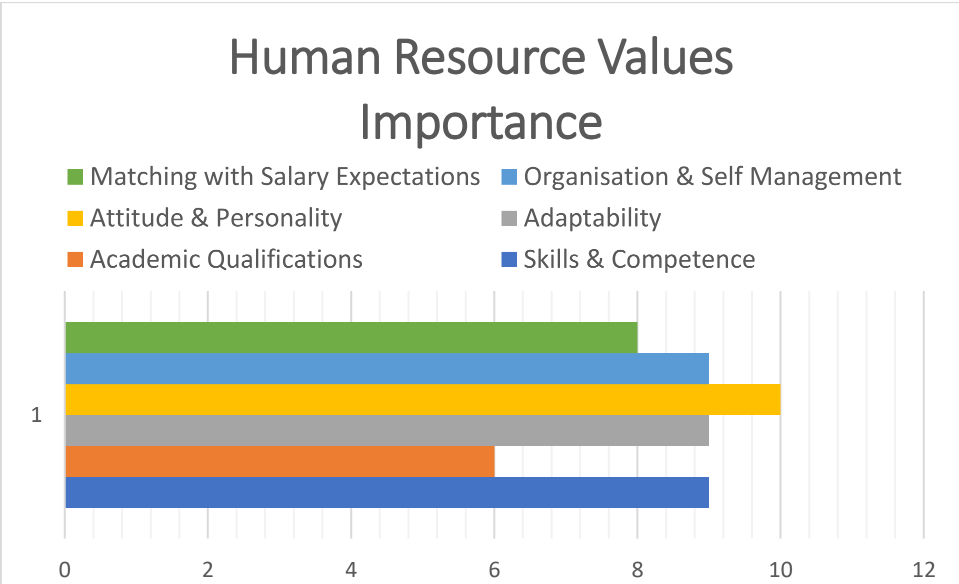
**Table 6 - Sample Median for Career Attractiveness**

| Levels of Satisfaction | Career Opportunities | Financial Rewards | Work-Life Balance | Overall Attractiveness |
|---|---|---|---|---|
| 8 | 9 | 7 | 4 | 7 |

## 4.14 THE HUMAN RESOURCE VALUES

As human resource values are unstructured and differ from one individual to another, the sample was asked to highlight the importance of which values an individual must have to cut within the industry. According to the sample, the most favourable value an employee should have been their attitude and personality. Skills and competence, adaptability, organization, and self-management, are other reassuring points. The sample suggests that academic qualifications are not on their top shelves; it is the least value scored.

**Figure 23 - Human Resource Values**




The median of each value from the sample is shown in Table 7. 1 is measured to indicate the least important, and 10 indicating the most important.

**Table 7 - Sample Median for Human Resource Values**

| Skills and Competence | Academic Qualifications | Adaptability | Attitude and Personality | Organisation and Self-Management | Matching Salary Expectations |
|---|---|---|---|---|---|
| **9** | **6** | **9** | **10** | **9** | **8** |

## 4.15 CONCLUSION

The above primary data summarizes the expert feedback collected from the specific stakeholder groups which were individually presented with the questionnaire. This group of hospitality experts was specifically chosen by the author to give an insight of first-hand knowledge considering the research questions, and on the subject related to the possibilities of sustainable luxury tourism in Malta. The stakeholders are also the service providers, and thus, they know who their customers are, their needs, and wants.

Keywords are identified and highlighted in specific areas, which one can further evaluate and discuss the gaps or possibilities for improvement. The experts' opinions on the characteristics of the product, sustainable values, expenditure ratios, sector challenges, marketing opportunities, and suggestions for governance, are all points that will assist in the understanding and evaluations of any possibilities in developing a sustainable luxury product on the islands of Malta.

Although sustainability is not considered as a primary luxury characteristic, the importance of sustainable practices is evident within the service providers. Operators are looking to increase their sustainable value overall, as they understand and respect the responsibility they have within the industry. This is reflected not only within the five-star status hotels and restaurants, but also efforts are seen from the four-star segment like that of 1926 Hotel & Spa.

In regard to career attractiveness and hospitality continuation, the ITS is providing for the students the foundation required from which one could aspire further. Learning experiences and opportunities are beyond our shores. Nevertheless, a cultural influence is yet to be desired. Governance for educational philosophies in integrating syllabus related to quality services from young could make a difference to the future of the industry.

In conclusion, the human resource is the most valuable asset. All stakeholders in common constantly strive to keep up with their competition in order to maintain a bright and competitive team. Such consistency provides sustainability and efficiency to the service providers, as personalised and proficient touch points create memorable experiences which are the foundations of luxury travel.

# CHAPTER 5

## DISCUSSION

# DISCUSSION

## 5.1 INTRODUCTION

Throughout this chapter, the author interprets and discusses the results gathered from the stakeholder’s questionnaire. The questionnaire population was specifically chosen from seven different sectors of the industry, namely restaurateurs, two segments of hoteliers, entrepreneurs, destination management companies (DMCs), and the entities of Malta Tourism Authority (MTA) and the Institute of Tourism Studies (ITS). They are also considered experts within their field of tourism.

References of the results are interpreted in three ways, on an individual basis, as a segment, and collectively as a group. Each participant had the opportunity to share their opinions, experiences, and make recommendations on the subject. This data gives valuable insights into the actualities of the tourism industry, as it is also a feel on the pulse.

## 5.2 LUXURY TOURISM

To define luxury and its consumption, one must understand the needs of its consumer. Although this is not a standard, and a definition for luxury tourism is not fixed, common grounds of understanding and expectations are met. According to the primary data provided, the stakeholders' understanding of luxury highlights the keywords, service, product, and comfort.

It seems to the author that achieving a state of luxury entails high levels of all the highlighted keywords, service, product, and comfort, which could be related in various forms. (Demir & Saribas, 2014) adds the price dimension with a high monetary value, to the quality of services. (Johnson, 2013) points out the superior levels of accommodation, and dining, which could also be referred to as comforts. Exclusivity and uniqueness are also key characteristics of luxury products. The modern luxury traveller goes beyond the tangible product and its expensiveness as they seek to satisfy an inner need. Most often, it connects with the feelings, emotions, or a past memoire. Such services are deeply personalised and highly unique to the consumer.

Luxury tourism can take various shapes for consumption depending on the needs of the customer, however, and regardless of how one tries to describe or define luxury, the fundamental elements for luxury remain high levels of service, product, and comfort.

## 5.3 THE PRODUCT CHARACTERISTICS

According to the extracted data, high levels of service are the pinnacle of characteristics for luxury, this is followed by the quality of the product. It seems to be that both characteristics go hand-in-hand when developing and serving a high-end product. The third measurement according to the sample is exclusivity.

The correlation between the three forces of high levels of service, quality of product, and exclusivity may vary depending on the type of product or service offered. In most cases, delivering a quality product also demands high levels of service, wherein most cases are also exclusive. Exclusivity is created by the producer or the service provider, and it is not to be confused with rarity. Rarity is an environmental condition, where supply is limited, or the quality is hard to achieve (Marsh, 2014).

## 5.4 SUSTAINABLE VALUES

Following the sample population and the data provided, it shows that the importance of sustainable values in a luxury product is low, and thus, sustainable value is not an important characteristic for the luxury product. This is in context when luxury characteristics are measured with levels of importance to contrast the extremely important factors versus the least important. In such a case, the sustainable value was the least important, and high levels of service were the most important characteristic of a luxury product.

Sustainable values are now perceived as complementary to luxury, especially by their patrons. Craftsmanship in making luxury products, and luxury brands, are expected to run through the commitments of sustainable values within their supply chain (Cervellon & Shammas, 2013).

The challenge of sustainable luxury consumption is to cater to the wants and needs of today without impoverishing the environments for our future generations of tomorrow (Sesini, et al., 2020). Sustainable luxury consumption is positively affected by materialism. Materialists favour the sustainable values of a green luxury product over generic products. Materialism increases the perception of functional value over generic products, and thus it generates more the intention to purchase. Unlike conspicuous consumption, this is noted only when a product is privately consumed and not publicly consumed (Talukdar & Yu, 2020).

Various local quality-oriented catering establishments including small and medium-sized hotels, restaurants, and their entrepreneurs were asked to highlight their operational value of sustainability. The main highlights emphasizing a sustainable practice are in the areas of sustainable sourcing, water, and energy consumption, and food waste management.

In 2017, Malta consumed the equivalent of 0.02% of the world's energy consumption. In the same year, Malta produced enough energy to cover 1% of its annual consumption (Worldometer, 2017). Considering that the commercial sector levels of consumption are higher, it is positive to see that the efforts in water and energy preservations are a priority. Not to mention other obvious benefits including monetary savings. Given the fact that Malta is an island, a high ratio of materials is imported. Also, due to our limited geography, this phenomenon is real, and in terms of imports, and their dependency, there is not so much we can do externally to reduce the carbon footprint. Although, within our limits and where possible this could be also improved by controlling, promoting, and consuming more the local products. Especially, when one reads that, sustainable sourcing tops the list of sustainable values.

Is luxury consumption sustainable?

On a separate note, when the same population was asked if the consumption of luxury is sustainable, the majority 86% agreed with the notion that luxury consumption is sustainable.

(Batat, 2020) rules that the significant amount of expertise required to produce luxury goods makes the product sustainable, timeless, and durable. Also, often people do sell or trade a luxury good as its prestige makes it a desired product. Hence representing a higher degree of recycling.

From a luxury restaurant and gastronomy perspective, and their principal actors the Michelin-starred chefs', sustainable experiences should encompass both the eco-friendly practices and the experiential pleasures of sensory, creativity, and artistic aspects. Their motives incorporate the external factors of the planet and people, with the plate, pleasure, and place (Batat, 2020).

It is also a perspective. Luxury consumption can be very sustainable if one compares it to the mass tourism needs and it's over consumptions. In terms of the service provider and exclusivity sustainable principles apply, and the risk of over consumption is low. However, this is not always the case. If one takes the example of Capri among others, as previously mentioned in Chapter 4, it became a victim of its success. Touristification is the opposite of a sustainable destination, at the cost of authenticity and social impacts. Valletta, named for its historical heritage and unique architecture is one of the unique Mediterranean cities listed by (Junior, 2018). Given its popularity, and if not well governed, it also can risk becoming a tourist highway.

### 5.4.1 Sustainable Governance

The governance towards sustainable luxury must be away from the ideology of transforming an island Megalopolis. Although it is essential and identified that the infrastructure of the island must improve, in which, many of the works and future projects are ongoing, being explored, and presented in the present times. Developments and related investments should include and incentivize environmental and social betterments, as the era for construction and concrete jungles is no longer a trend.

### 5.4.2 Sustainable Conclusion

(Pengji, et al., 2021) discusses the studies which have shown that despite the efforts from luxury brands to adopt sustainable values and product designs, there is inconclusive evidence regarding their customer's reactions. As identified in Chapter 4.4 and 4.5 sustainable values does not necessarily relate to the consumption of luxury, nor is it a guarantee that a product or service is luxurious. Nevertheless, constant pressure from the macro environment drives the service providers and stakeholders to invest in processes and technologies for the betterment of sustainability. Chapter 4.5.2 describes that the local service providers do practice sustainable values within their limitations, and the most common value within the group is sourcing, followed by water and energy consumptions.

It is said that the orthodox consumption of needs, exclusivity, and self-indulgence affect the efforts of the brand towards a sustainable change. Substantial differences also differ from country to country when assuming Hofstede's cultural dimensions, power distance, extravagance, and individualism.

## 5.5 INBOUND TOURISM OVERVIEW

**Table 8 - Inbound Tourism Figures by Country**

| ***Inbound tourists, nights spent, and total expenditure by a period of departure and country of residence*** | | | | | |
|---|---|---|---|---|---|
| ***Country of residence*** | **January-April** | | | **Change** | **Percentage change** |
| | **2017** | **2018** | **2019** | **2019/2018** | |
| ***Tourists*** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| ***Australia*** | **3,903** | **4,871** | **5,504** | **-** | **-** |
| ***Austria*** | **7,343** | **10,838** | **9,421** | **-** | **-** |
| ***Belgium*** | **23,854** | **20,584** | **21,218** | **-** | **-** |
| ***France*** | **40,166** | **49,430** | **55,820** | **6,390** | **12.9** |
| ***Germany*** | **51,709** | **70,967** | **58,539** | **-12,427** | **-17.5** |
| ***Hungary*** | **4,329** | **5,534** | **7,679** | **2,146** | **38.8** |
| ***Ireland*** | **8,635** | **10,635** | **11,473** | **-** | **-** |
| ***Italy*** | **94,483** | **105,490** | **99,595** | **-5,895** | **-5.6** |
| ***Netherlands*** | **13,500** | **13,882** | **12,115** | **-1,767** | **-12.7** |
| ***Poland*** | **20,798** | **28,148** | **29,448** | **-** | **-** |
| ***Scandinavia**** | **24,024** | **27,939** | **27,920** | **-** | **-** |
| ***Spain*** | **18,957** | **19,640** | **26,933** | **7,293** | **37.1** |
| ***Switzerland*** | **9,319** | **9,821** | **10,198** | **-** | **-** |
| ***United Kingdom*** | **140,020** | **158,373** | **158,468** | **-** | **-** |
| ***USA*** | **8,155** | **9,983** | **12,383** | **2,401** | **24.0** |
| ***Other*** | **79,280** | **101,787** | **121,190** | **19,403** | **19.1** |
| Total | *548,475* | *647,921* | *667,905* | *19,984* | *3.1* |
| | | | ***Nights*** | | |
| ***Australia*** | **42,612** | **69,372** | **52,353** | **-** | **-** |
| ***Austria*** | **47,358** | **66,745** | **52,501** | **-** | **-** |
| ***Belgium*** | **125,726** | **112,078** | **132,399** | **-** | **-** |
| ***France*** | **240,085** | **308,032** | **350,284** | **42,252** | **13.7** |
| ***Germany*** | **353,645** | **483,884** | **386,728** | **-97,156** | **-20.1** |
| ***Hungary*** | **25,249** | **29,376** | **38,180** | **8,804** | **30.0** |
| ***Ireland*** | **55,891** | **68,095** | **74,276** | **-** | **-** |

| | | | | | |
|---|---|---|---|---|---|
| ***Italy*** | **476,164** | **565,292** | **570,711** | **5,419** | **1.0** |
| ***Netherlands*** | **85,357** | **78,278** | **89,809** | **11,530** | **14.7** |
| ***Poland*** | **122,638** | **163,128** | **175,741** | **-** | **-** |
| ***Scandinavia**** | **158,961** | **189,093** | **187,519** | **-** | **-** |
| ***Spain*** | **94,227** | **104,104** | **133,339** | **29,235** | **28.1** |
| ***Switzerland*** | **60,531** | **65,428** | **69,937** | **-** | **-** |
| ***United Kingdom*** | **1,019,987** | **1,053,512** | **1,008,676** | **-** | **-** |
| ***USA*** | **47,127** | **57,476** | **67,227** | **9,751** | **17.0** |
| ***Other*** | **571,324** | **743,672** | **919,671** | **175,999** | **23.7** |
| Total | *3,526,880* | *4,157,564* | *4,309,353* | *151,788* | *3.7* |
| ***Expenditure (€000)*** | | | | | |
| ***Australia*** | **5,555** | **6,169** | **7,949** | **-** | **-** |
| ***Austria*** | **6,607** | **8,657** | **7,150** | **-** | **-** |
| ***Belgium*** | **14,932** | **12,683** | **13,093** | **-** | **-** |
| ***France*** | **28,940** | **32,618** | **36,082** | **3,465** | **10.6** |
| ***Germany*** | **39,358** | **51,018** | **41,015** | **-10,003** | **-19.6** |
| ***Hungary*** | **2,522** | **3,078** | **3,678** | **600** | **19.5** |
| ***Ireland*** | **6,143** | **7,058** | **8,193** | **-** | **-** |
| ***Italy*** | **48,508** | **52,165** | **48,126** | **-4,039** | **-7.7** |
| ***Netherlands*** | **9,578** | **8,614** | **7,718** | **-896** | **-10.4** |
| ***Poland*** | **11,838** | **14,870** | **15,783** | **-** | **-** |
| ***Scandinavia**** | **20,353** | **21,903** | **21,574** | **-** | **-** |
| ***Spain*** | **11,354** | **11,291** | **12,628** | **1,337** | **11.8** |
| ***Switzerland*** | **9,085** | **8,840** | **9,295** | **-** | **-** |
| ***United Kingdom*** | **95,749** | **101,248** | **99,957** | **-** | **-** |

| | | | | | |
|---|---|---|---|---|---|
| ***USA*** | **8,351** | **9,711** | **12,206** | **2,495** | **25.7** |
| ***Other*** | **72,090** | **81,331** | **100,086** | **18,755** | **23.1** |
| Total | *390,961* | *431,251* | *444,532* | *13,280* | *3.1* |

Adopted from (National Statistics Office Malta (NSO), 2019)

**Table 9 - Inbound Tourism Expenditure by Country**

| ***Per capita expenditure of inbound tourists by expenditure category, period of departure, and country of residence*** | | | | | |
|---|---|---|---|---|---|
| | | | | | € |
| ***Country of residence*** | **Package expenditure** | **Non-package expenditure** | | **Other expenditure** | **Total expenditure per capita** |
| | | **Air/sea fares** | **Accommodation** | | |
| ***January-April 2019*** | | | | | |
| *Australia* | - | 656 | 277 | 474 | **1,444** |
| *Austria* | 633 | 178 | 227 | 262 | **759** |
| *Belgium* | 563 | 131 | 207 | 224 | **617** |
| *France* | 529 | 161 | 212 | 221 | **646** |
| *Germany* | 565 | 171 | 246 | 227 | **701** |
| *Hungary* | - | 128 | 164 | 195 | **479** |
| *Ireland* | 452 | 166 | 232 | 314 | **714** |
| *Italy* | 399 | 101 | 169 | 216 | **483** |
| *Netherlands* | 495 | 166 | 225 | 248 | **637** |
| *Poland* | 409 | 118 | 156 | 227 | **536** |
| *Scandinavia* | 542 | 211 | 247 | 313 | **773** |
| *Spain* | 361 | 100 | 147 | 208 | **469** |

| | | | | | |
|---|---|---|---|---|---|
| *Switzerland* | 686 | 212 | 370 | 327 | **911** |
| *United Kingdom* | 497 | 129 | 225 | 249 | **631** |
| *USA* | 863 | 411 | 286 | 300 | **986** |
| *Other* | 701 | 256 | 248 | 302 | **826** |
| ***Total expenditure per capita*** | **533** | **172** | **218** | **253** | **666** |
| ***January-April 2018*** | | | | | |
| *Australia* | - | 626 | 264 | 468 | **1,266** |
| *Austria* | 648 | 225 | 236 | 244 | **799** |
| *Belgium* | 536 | 131 | 210 | 223 | **616** |
| *France* | 557 | 162 | 227 | 211 | **660** |
| *Germany* | 559 | 183 | 274 | 226 | **719** |
| *Hungary* | - | 181 | 196 | 221 | **556** |
| *Ireland* | 404 | 163 | 263 | 282 | **664** |
| *Italy* | 428 | 98 | 179 | 205 | **495** |
| *Netherlands* | 434 | 170 | 198 | 246 | **621** |
| *Poland* | 376 | 111 | 202 | 212 | **528** |
| *Scandinavia* | 590 | 226 | 248 | 283 | **784** |
| *Spain* | 452 | 138 | 190 | 233 | **575** |
| *Switzerland* | 579 | 261 | 417 | 289 | **900** |
| *United Kingdom* | 497 | 140 | 233 | 244 | **639** |
| *USA* | 822 | 444 | 283 | 252 | **973** |
| *Other* | 689 | 248 | 237 | 295 | **799** |
| ***Total expenditure per capita*** | **528** | **174** | **228** | **243** | **666** |
| ***January-April 2017*** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| *Australia* | - | 588 | 316 | 605 | **1,423** |
| *Austria* | 653 | 253 | 367 | 284 | **900** |
| *Belgium* | 520 | 150 | 228 | 225 | **626** |
| *France* | 558 | 179 | 246 | 259 | **720** |
| *Germany* | 602 | 173 | 271 | 255 | **761** |
| *Hungary* | - | 152 | 195 | 259 | **582** |
| *Ireland* | 424 | 155 | 251 | 339 | **711** |
| *Italy* | 408 | 93 | 168 | 232 | **513** |
| *Netherlands* | 483 | 195 | 238 | 296 | **709** |
| *Poland* | 402 | 115 | 165 | 265 | **569** |
| *Scandinavia* | 660 | 233 | 251 | 325 | **847** |
| *Spain* | 460 | 128 | 179 | 263 | **599** |
| *Switzerland* | 728 | 272 | 323 | 362 | **975** |
| *United Kingdom* | 504 | 150 | 245 | 282 | **684** |
| *USA* | 988 | 388 | 307 | 325 | **1,024** |
| *Other* | 670 | 275 | 259 | 372 | **909** |
| ***Total expenditure per capita*** | **539** | **178** | **232** | **286** | **713** |

Adopted from (National Statistics Office Malta (NSO), 2019)

The dominance of the United Kingdom (UK) market is evident, and dependency is crucial for the economy. Yet, the American market, per capita, is the market that has the highest expenditure, as was also underlined by the DMC's. However, it is not amongst the most popular markets on our Islands. (Mercieca, 2017) also expresses that the American and Australian tourists are among the higher splurgers, furthermore, he distinguishes expenditures from northern European countries Vs southern Europe, where he reveals that the northern countries tend to be higher spenders. Noticeably, according to the statistics from NSO in Table.2, 2017 was the best year in terms of expenditure for the American market. Both in 2018 and 2019 a decline in expenditure is evident. One must also note that the number of inbound American tourists increased from 2017 to 2018 and 2019, a paradox of balance as the symptoms of mass tourism attracts more volume with less quality.

The main feeder market, prior to the events of the Covid-19 global pandemic, and Brexit, between 2017-2019 is shown to be the United Kingdom. Although there were minimal differences in inbound from 2018-2019, expenditure saw a slight dip. These figures factor out the point that until 2019, Malta was attracting the numbers rather than the value and expenditure which is associated with the luxury services and products.

## 5.6 LUXURY OFFERINGS of MALTA

Within its broad terms, Malta is not usually associated with luxury, nor is considered to be of a luxury status or destination. However, one could argue that Malta is changing its position in this regard.

Within the picturesque region of the Mediterranean, various locations which once were considered as the place to be and to be seen, are now weakening. Developing destinations are known for their ‘new luxury’, with a fresh and undisturbed environment. The favourite six destinations mentioned by (Steen, 2021) include the Balearics, Montenegro, Santorini and Mykonos, Venice, Split in Croatia, and the all-time famous French Riviera.

(The Ritz-Carlton Yacht Collection, 2021) refers to the region as the centre of the world, with graced turquoise waters rich in culture, history, and culinary delights. They offer luxury cruises sailing from port to port within the region's stunning locations. Valletta is included within their travel bearings, and thus a luxury maritime activity is evident. So is the much-anticipated Rolex Middle Sea Race, where its 42nd edition was held between the dates of October 23rd – October 30th, 2021.

The most segment highlighted by the survey indicates that a luxury offering exists within the Historical segment. Malta's heritage is made up of 7,000 years of history, where also, the capital city Valletta is listed as a UNESCO World Heritage site. Malta is also home to the Megalithic temples (UNESCO, n.d.), the oldest free-standing monuments in the world before the discoveries of Göbekli Tepe, as they date back to circa 3000 B.C.

The Maltese gastronomic efforts were recognized by Michelin in 2020. This was the first time were Malta, and its gourmet eateries were listed on the much-coveted little red book. In the latest edition of 2022, Malta celebrates five Michelin one-star restaurants, and four are awarded a Bib Gourmand. Other recognitions by Michelin were awarded to several establishments highlighting their cuisine and culinary flair. From the luxury aspect of gastronomy, a Michelin star award is the quintessence of achievement. Michelin stars do also come in four categories where one, two, or three stars are awarded, with a third star summarising exceptional cuisine and is worth a special journey. And a green star award highlights the efforts of those spearheading sustainable practices.

## 5.7 AREAS for IMPROVEMENT

As previously identified and discussed, luxe is founded on superior services. Attracting the luxury market means that high levels of services must be offered, together with authentic experiences, and attention to detail. For Malta, to increase our attractiveness as a luxury destination, the following areas should be improved:

- Accessibility and connectivity
- Overall cleanliness
- Infrastructure
- Hospitality offerings, facilities, and services
- Technological innovations
- Eco-friendly concepts
- Quality of the environment

Apart from the advancement of services and product offering, the control of the overdevelopment holistically will reduce the risk of the overall product uglification. From the author's perspective, a stimulus to foster and preserve more the local identity is essential. Incentives for more boutique restorations as a strategy, highlighting authenticity and Malta's hospitality, would also enrich the cultural values.

## 5.8 HUMAN RESOURCE

The industry's most valuable resource is its human resourcefulness. Job satisfaction promotes a sustainable workplace where it prolongs a sustainable operation. Potentially it also reduces the risk of high staff turnover and consequently, it stimulates loyalty. With this scenario, a company will notice improvements in customer service quality and the overall business performance and efficiencies. This positivity which affects quality also influences customer satisfaction and their relations, it, therefore, promotes a sustainable environment beyond the company's level as it creates and adds value (Heimerl, et al., 2020).

Job satisfaction can be mainly determined by the following sociocultural factors:

- The work environment - including colleagues and teamwork
- Job fulfilment – scope, variety, inclusiveness
- Personal development – training and career opportunities

Other influences include:

- Remuneration
- Stress levels
- Working hours

(Angelini, 2016) discusses the phenomena of work-life balance within this service industry. He agrees that this industry offers good career opportunities, but also, we cannot ignore the fact that it requires a high level of commitment and hard work. The shifts from remaining in comfort zones to being transferred to other assignments, perhaps even overseas. A hospitality career requires long working hours and the presence of being at work on holidays or traditional vacations.

All in all, the correct positive mindset is essential at all levels of the industry. This will drive your performance but also influence the others around you. Attitude and personality are the most valuable resources an employee could have.

## 5.9 CONCLUSION

Malta as a destination is on the right track. Attractiveness is evident and consumers are willing to pay for deluxe and authentic services. Various sectors within hospitality like gastronomy and history are outperforming others, which gives Malta its persona. Although the character is an essential factor of attractiveness, other values such as sustainability must be taken into consideration.

With the term sustainability cliché and overused, it is easy for its principles to be overlooked. In fact, when we think of luxury-related products and their characteristics, sustainable factors are among the last values we consider. Nevertheless, it is an essential element throughout the supply chain from source to supply, including the maintenance of a healthy human resource.

This worrying occurrence should be taken into consideration, and further recommendations for sustainable awareness should be stimulated. With sustainable practices as an important phenomenon, a balance between quality services and sustainable values should be achieved. A state of new luxury entails also pristine levels of the environment, product authenticity, identity, and culture.

# CHAPTER 6

## CONCLUSION

# CONCLUSION

## 6.1 FINDINGS

From the research findings within this study, it is established that tourism in Malta's pre-pandemic was seeing an increase in inbound tourism year on year. It is also identified that the richest tourist was that of the year 2017 (National Statistics Office Malta (NSO), 2019), thereafter, the number of inbound tourists increased overall, however, the expenditure per capita did not. In general terms, this behaviour shows signs of cheap traveling, better described as 'destructive mass tourism', and it is not necessarily a good situation for the industry, nor the hosting country.

The Malta Tourism Authority (MTA) strategy 2016-2020 was aimed to attract quality tourism. This strategy in some context has been successful, however not fully succeeded when considering that overall, we did not capitalize on attracting the luxury traveller. It is also to be understood that for such a claim and direction to be achieved, all stakeholders must collaborate towards the common goal, otherwise it would not be possible. MTA's new strategy post-pandemic 2021-2030 seeks for the recovery from the crisis and the continuation towards the same direction. Tourism Minister, Mr. C. Bartolo, speaks about a strategy that incorporates a sustainable business and environment approach, prosperity, and social welfare. He also includes the importance of human resource elements, and the overall journey towards the betterment of a quality product (Bartolo, 2021).

The data collected highlight various elements and segments of quality tourism, products, and services. In such regard, it is identified that Malta already offers a rich product within the historical and cultural segments, and there is potential for developing other luxury segments and niches.

The differentiator is in the leap from offering a high-quality product to a luxury product, where the levels of service are more distinct, authentic, and personalised. A holistic approach in bringing the mindset of a nation thinking of tomorrow would be pivotal, whilst answering for the present responsibilities of maintenance and upkeep of our environments is key.

It is clear that in some areas the potential to attract the luxe market is there, with an equal calibre product on offer. However, other segments are not up to scratch and somehow are inconsistent with the levels of service, product, or both. For such, good governance is essential to foster a luxury product together with the private sector.

The increase of Boutique hotel premises is allowing for a new type of accommodation which is typical and also unique. Such offerings add value to travel experiences especially when upgrading one of the fundamental needs of travel – accommodation. Together with accommodations, local gastronomy also found its way on international platforms with the introduction of Michelin. This niche is being fostered locally by chefs and supported by entrepreneurs alike with new benchmarks being set. Where experiential dining is being offered within luxurious textiles and surroundings.

It is also learned that the new luxury underlines and emphasizes authenticity, where the unprocessed environment prevails. Having a raw environment in its natural state is by today's standards a state of luxury. Consumers of the new luxury travel today seek honest and undeveloped surroundings, and where the services provided, if any, are of sustainable value. A segment of Luxe travel is always looking out for that undisturbed destination, of which, with time, popularity arises. Such events attract more visitors, which leads to more development. This cycle, if not handled politically correctly, can negatively impact the sociocultural and environmental factors of the destination.

On another hand, developed locations, also pride themselves on exclusive products and services. In opposite to unprocessed environments, these settings are purposely built to fit the luxury framework. Many a time, sustainability is not a priority as the reach for high levels of comfort, extravagance, and grandeur takes precedence. In such situations, our habitat is at the mercy of human consumption. A case in point of a modern luxury playground is Dubai, where prosperity and luxury development flourished. Within the Mediterranean region, Albania is thought to be the opposite of urban luxury. In fact, environmentally, it is an unpolished diamond!

Malta, which is very limited in its land and size, already carries the symptoms of overdevelopment. Such occurrence cannot be reversed, nevertheless, mitigation towards sustainable luxury consumption can be achieved. The highlighted tourism segments found within this study, historic, cultural, and maritime tourism are among our traditional luxury attractions. Recently, gastronomy efforts have been brought under the spotlight and a new niche is emerging. This also adds value to the cultural aspects and the overall product. The governance, market positioning, and strategic plans for accessibility are key. This study also identifies those certain markets, like the American market, who generate economic factors better than others. Such results suggest that more resources should be in place to increase the levels of attractiveness and ease availability towards that particular segment. Perhaps, different strategies within the strategy should be adopted to target the specific markets accordingly. The approach of the term 'one size fits all' is not proving to be good enough anymore, especially when considering the tourism performance of inbound figures versus expenditure per capita between the years 2017 and 2019.

By understanding the limitations, and considering the opportunities, it is to be understood that Malta would require to operate and position itself with products suitable for both opposing markets. To achieve a sustainable level of economic and socio-economic balance, special interest tourism markets have to be balanced by the more conventional mass tourism markets. In general, within the tourism industry, accommodations with high levels of service are lesser than those more mainstream. Therefore, a customer mix must be achieved for the local entities to survive.

## 6.2 RESEARCH LIMITATIONS

The data collected is based upon a small sample size of specifically chosen individuals who are specialists in their field. It is also limited to the ideas of operating in Malta, and not in Gozo. Exploring data with a Gozitan perspective is recommended, as Gozo's *métier* and potential lies in attracting sustainable luxury tourism and niches. The research could also be extended offshore, where a deeper primary knowledge could be obtained by involving the views on the subject of Malta from others within the region. As all participants were also service providers, the feedback from the consumers was not considered. It is recommended that for further research, consumers' knowledge and experience of the product will be included. Feedback direct from government authorities was not considered either. The challenges of implementing a national strategy require collaborations on various levels, which one should factor in and dedicate enough knowledge to learn the dynamics.

Finally, this study was undertaken within a finite amount of time, as the authors' resources were limited and time bound.

## 6.3 RECOMMENDATIONS

To be able to deliver a high calibre and authentic product, the author thinks that first the product itself must be cherished by its people. Subsequently, every touch point and interaction with the consumer must be delivered gracefully, from the leads to the follow-up. In this regard, more efforts and resources should be allocated towards the schooling and coaching processes and its curriculum. From a young age, nourishing and preserving cultural values, and authenticity is essential. Creativity, tradesmanship, and craftsmanship within our villages should be revived, fostered, and encouraged through our younger generations with pride. Such initiatives could also qualify for funding from the European Union (EU) since Malta is a member state (Servizzi Ewropej f'Malta (SEM), 2021). The workmanship could capitalize from the ease of access and travel to the EU countries to search and enrich their own expertise.

In sustaining a growing gastronomic culture, the author recommends and encourages more use of the local and seasonal produce. Governance should better educate, and highly incentivize or even subsidize where necessary the workman within the trade to enrich its providence and promote local as a priority.

The longevity of authentic local gastronomic traditions, such as the baker-culture *'il-forn'* among others, gives identity and is key. Perhaps also better branding of valuable Maltese gastronomy!

Barriers of entry should also be revised in favour of the local products, and same for the human resource. Headship positions within the gastronomic and hospitality sectors could be bound with superior education and training levels or experiences.

Accessibility towards own historic assets and museums should not be jeopardized by opening-times limitation, especially those cultural products and attractions. Various times of the day can attract different groups of people hence maximizing the potential of the product.

Infrastructure, not in the concrete sense, but heritage and cultural preservations, maritime provisions, and a holistic cleanliness management program including refuse-collection and greener landscaping.

Overall, many products, tours, and attractions are still considered mainstream. A change in mindset is essential, we need to learn to look not only at the number of tourists but rather at a qualitative and sustainable overall experience.

Ultimately, smart management of our sophisticated great city is critical.

## 6.4 FINAL SUMMARY

Conclusively, and concerning the research question, if Malta is a luxury tourism destination in the Mediterranean or not, the answer cannot be considered with a generic approach. Various factors influence the answer. Certain product offers of Malta are consumed by and do attract the luxury consumer, yet not the ultra-luxury. Whereas other products and services are not in a lavish state, and luxury is yet desired. Thus, the type of consumer plays a big part in answering the question, as one needs to sell the product to the right market to achieve high levels of satisfaction.

Special interest tourism sectors such as the historical and cultural do attract the luxury market and Malta does offer a luxury product within the field. Others such as the maritime and gastronomy also have luxurious characteristics and their betterment is also evident. However, to have a holistic destination of luxury, sustainable infrastructural and overall personalised services must be improved without impoverishing the social and environmental factors.

The possibilities and potential of Malta hosting luxury tourism exists. In fact, we are already experiencing significant activities of the phenomena, especially within the sectors of nautical, gastronomy, and history. The restoration of decaying Maltese buildings, particularly in Valletta, converted into boutique hotels is a sustainable measure of our identity on offer. Similar strategies, emphasizing efficiency, functionality, and converting rather than re-building, will portray Malta as a destination of authenticity and sustainability. Therefore, although the author depicts Malta as a megalopolis, the author concludes that, sustainable luxury tourism could be achieved within various niches of tourism. Nevertheless, the levels of service and quality determine the luxury status achieved.

Overall, and considering all factors, Malta's popularity is made from its climate and surroundings. Hence, the preservation of our own resources, and culture, promote the longevity of our tourism industry.

## Bibliography


Alkier, R., 2019. Perspectives of Development of Luxury Nautical Tourism in the Republic of Croatia. *Journal of Maritime & Transportation Sciences,* 56(1), pp. 109-124.

Angelini, G., 2016. *angelinihospitality.com.* [Online]
Available at: https://angelinihospitality.com/work_life_balance_in_the_hospitality_industry
[Accessed 28 10 2021].

Barrere, C., Bonnard, Q. & Chossat, V., 2009. Luxury Gastronomy as an Attractive Activity for Luxury Tourism. *Œnometrie XVI-Namur,* Volume 7.

Bartolo, C., 2021. *Malta's Tourism Strategy for the years 2021 - 2030,* s.l.: Malta Tourism Authority.

Batat, W., 2019. Who is the New Luxury Consumer. In: *The New Luxury Experience.* Switzerland: Springer Nature, pp. 55-59.

Batat, W., 2020. Pillars of sustainable food experiences in the luxury gastronomy sector: A qualitative exploration of Michelin-starred chefs' motivations. *Journal of Retailing and Consumer Services,* 11, Volume 57, p. 102255.

Belyakova, N., 2018. Luxury Hotel Brand as the Contributor to the Place Marketing. . *Handel Wewnetrzny,* 2(375), pp. 283-295.

Bernard, B., 1952. Content Analysis in Communication Research. *The Annals of the American Academy of Political and Social Science,* Volume 3, p. 220.

Bilge, H. A., 2015. Luxury Consumption: Literature Review. *Khazar Journal of Humanities and Social Sciences,* 18(1), pp. 35-55.

Borg, D., 2017. The development of cultural heritage in Gozo, and its potential as a tourism niche. . *International Journal of Tourism Cities,* 3(2), pp. 184-195.

Boyd, S. T., 1985. Study of the Father Research Methods: A HISTORICAL PERSPECTIVE OF FATHERING RESEARCH OBSERVATIONAL METHODS UNSTRUCTURED OBSERVATION STRUCTURED OBSERVATION EVALUATION OF OBSERVATIONAL METHODS INTERVIEW METHODS UNSTRUCTURED INTERVIEWS STRUCTURED INTERVIEWS. *The American Behavioral Scientist (pre-1986),* Sep/Oct, 29(1), p. 112.

BRM, n.d. *Business Research Methodology.* [Online]
Available at: https://research-methodology.net/sampling-in-primary-data-collection/purposive-sampling/
[Accessed 9 October 2021].

cbi, 2018. *cbi.eu.* [Online]
Available at: https://www.cbi.eu/market-information/tourism/luxury-tourism
[Accessed 23 09 2020].

CBI, 2018. *What are the opportunities for luxury tourism from Europe?* s.l.: CBI - Ministry of Foreign Affairs.



CBI, 2018. *What are the opportunities for luxury tourism from Europe?* s.l.: CBI - Ministry of Foreign Affairs.

Cervellon, M.-C. & Shammas, L., 2013. The Value of Sustainable Luxury in Mature Markets: A Customer-Based Approach. *The Journal of Corporate Citizenship,* 12, Issue 52, pp. 90-101.

Crossman, A., 2020. *Understanding Purposive Sampling.* [Online]
Available at: https://www.thoughtco.com/purposive-sampling-3026727
[Accessed 9 October 2021].

Dalli, K., 2015. Airport plans massive €78 million expansion. *timesofmalta*, 22 12.

De Nisco, A., Riviezzo, A. & Napolitano, M. R., 2015. An Importance-Performance analysis of tourist satisfaction at destination level: evidence from Campania (Italy). *European Journal of Tourism Research,* Volume 10, pp. 64-75.

Demir, C. & Saribas, Ö., 2014. LUXURY TOURISM IN TURKEY. *International Journal of Contemporary Economics and Administrative Sciences,* 4(1-2), pp. 1-20.

Demir, C. & Saribas, Ö., 2014. LUXURY TOURISM IN TURKEY. *International Journal of Contemporary Economics and Administrative Sciences,* 4(1-2), pp. 1-20.

Dykins, R., 2016. *Shaping the future of Luxury Travel - Future Traveller Tribes 2030,* s.l.: Amadeus AIT Group SA.

Feleki, E. et al., 2018. Preservation of the Mediterranean Identity: An Intra-City Analysis Towards a Macro-Regional Approach for the Characterisation of Urban Sustainability. *Sustainability,* 10(10), p. 3551.

Flohr, T., 2021. *Vista Global: Private Jet Travel Demand Rising Amid Covid* [Interview] (4 2 2021).

Gheorghe, G., Tudorache, P. & Nistoreanu, P., 2014. GASTRONOMIC TOURISM, A NEW TREND FOR CONTEMPORARY TOURISM? *Cactus Tourism Journal,* 9(1), pp. 12-21.

GM, G. o. M., 2012. *TOURISM ACCOMMODATION ESTABLISHMENTS REGULATIONS.* s.l.: Government of Malta.

Grima, R., 2016. Living in Valletta: the liveability of a historic city. *Proceedings of Valletta Alive Foundation Seminar: Valletta Beyond 2020,* pp. 31-34.

Gutsatz, M. & Heine, K., 2018. Is luxury expensive? *Journal of Brand Management,* 25(5), pp. 411-423.

Harkison, T., Hemmington, N. & Hyde, K. F., 2018. Luxury accommodation – significantly different or just more expensive?. *Journal of Revenue and Pricing Management,* 17(4), pp. 231-243.

Heimerl, P., Haid, M., Perkmann, U. & Rabensteiner, M., 2020. Job Satisfaction as a Driver for Sustainable Development in the Hospitality Industry? Evidence from the Alpine Region. *Sustainability,* 12(17), p. 6754.

Heyes, A. & Nadkarni, S., 2020. Luxury consumption in tourism: the case of Dubai – Part 2. *Research in Hospitality Management,* July, 10(1), p. 53.

hotelstars, n.d. *hotelstars.eu.* [Online]
Available at: https://www.hotelstars.eu/malta/system/description/
[Accessed 17 6 2021].

Independent, 2020. First five-star hotel superior in Malta opens its doors. *First five-star hotel superior in Malta opens its doors*, 10 10.

InterContinental Malta, 2016. *MALTA BY NUMBERS: A NUMERICAL GUIDE TO MALTA.* [Online]
Available at: https://malta.intercontinental.com/2016/12/16/malta-numbers-numerical-guide-malta/
[Accessed 16 2 2022].

Johnson, P., 2013. A Luxury Travel Blog. *10 definitions of 'luxury travel' from within the industry*, 26 March.

Jones, A. & Navarro, C., 2018. Events and the blue economy. *International Journal of Event and Festival Management; Bingley,* 9(2), pp. 204-222.

Junior, V. L., 2018. *worldatlas.com.* [Online]
Available at: https://www.worldatlas.com/articles/major-mediterranean-cities.html
[Accessed 21 10 2021].

Krauss, G. R., 2019. Capri's Touristification. *A Millennial Cultural Landscape Reinvented by Luxury Tourism*, 27 05, pp. 1510-1529.

Krauss, G. R., 2019. Capri's Touristification. A Millennial Cultural Landscape Reinvented by Luxury Tourism. *Heritage,* 2(2), pp. 1509-1529.

Malta Tourism Authority, 2019. *Tourism in Malta Facts & Figures,* s.l.: Malta Tourism Authority.

Malta Tourism Authority, 2019. *TOURISM IN MALTA Facts & Figures ,* Malta: Malta Tourism Authority.

Malta Tourism Authority, 2021. *Recover, Rethink, Revitalise,* s.l.: Malta Tourism Authority.

Manera, C., Garau, J. & Serrano, E., 2016. THE EVOLUTION AND IMPACT OF TOURISM IN THE MEDITERRANEAN: THE CASE OF ISLAND REGIONS, 1990-2002 1. *Cuadernos de Turismo,* 1(37), pp. 269-303.

Marsh, J., 2014. *Exclusive, Rare, Limited, or Premium?,* s.l.: thehipperelement.

Maslow, A. H., 1943. A Theory of Human Motivation. *Psychological Review,* July, 50(4), pp. 370-396.

Mediterranean Growth Initiative, 2017. *mgi.online.* [Online]
Available at: https://www.mgi.online/content/2017/8/4/tourism-in-the-mediterranean
[Accessed 13 10 2020].

Mercieca, C., 2017. *Which Country's Tourists Spend Most Money In Malta?.* [Online]
Available at: https://lovinmalta.com/news/which-countrys-tourists-spend-the-most-money-in-malta/
[Accessed 28 10 2021].

Micallef, L., 2017. Analysing the future potential of luxury tourism in the Maltese islands (Bachelor's dissertation).. 5.

Morgan, D. L., 2021. *ResearchGate.* [Online]
Available at: https://www.researchgate.net/topic/Research-Methodology
[Accessed 9 10 2021].

MTA , 2019. *Facts & Figures,* Malta: MTA.

National Statistics Office - Malta, 2020. *News2020_189,* s.l.: National Statistics Office - Malta.

National Statistics Office Malta (NSO), 2019. *nso.gov.mt.* [Online]
Available at:
https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C3/Tourism_Statistics/Documents/2019/News2019_087.xls
[Accessed 28 10 2021].

Nowak, J.-J., 2007. Coastal Tourism and 'Dutch Disease' in a Small Island Economy. *Tourism Economics,* 13(1), pp. 49-65.

Pappas, N., 2005. Mediterranean Tourism: Comparative Study of Urban Island Host Destinations. *International Journal of Tourism Research,* 11-12 June.7(4-5).

Pengji, W. et al., 2021. The impact of value perceptions on purchase intention of sustainable luxury brands in China and the UK. *Journal of Brand Management,* 5, 28(3), pp. 325-346.

Piccinino, I., 2021. Manoel Island - a vibrant project that improves accessibility, gives a new lease of life to heritage buildings and creates more open spaces. *Manoel Island - a vibrant project that improves accessibility, gives a new lease of life to heritage buildings and creates more open spaces*, 2 4.

Poelina, A. & Nordensvard, J., 2017. Sustainable Luxury Tourism, Indigenous. In: *Sustainable Luxury, Entrepreneurship, and Innovation..* Singapore: Springer, Singapore, pp. 147-166.

Popescu, I. V. & Olteanu, V., 2014. Luxury Tourism. *Characteristics and trends of the behaviour of purchase,* 2(2), pp. 319-324.

Rachel, D., 2007. Malta's Tourism Policy: Standing Still or Advancing towards Sustainability?. *Island Studies Journal,* 2(1), pp. 47-66.

Samora-Arvela, A., Ferreira, J., Vaz, E. & Panagopoulos, T., 2020. Modeling Nature-Based and Cultural Recreation Preferences in Mediterranean Regions as Opportunities for Smart Tourism and Diversification. *Sustainability,* 12(1), p. 433.

Schlesinger, W., Cervera, A. & Perez-Cabanero, C., 2015. Contrasting quality of service experience for northern and southern Mediterranean tourists. *EuroMed Journal of Business; Bingley,* 10(3), pp. 327-337.

Servizzi Ewropej f'Malta (SEM), 2021. EU Funds for the cultural and creative sectors. 8 7.

Sesini, G., Castiglioni, C. & Lozza, E., 2020. New Trends and Patterns in Sustainable Consumption: A Systematic Review and Research Agenda. *Sustainability,* 12(15), p. 5935.

Simpson, A., 2020. *6 Ways Luxury Travel Will Change After Covid-19, As Predicted By The Experts,* Hong Kong: Tatler.

Stankova, M. & Kaleichev, S., 2013. THE CUTTING EDGE BETWEEN THE MASS AND LUXURY TOURISM. *Romanian Economic and Business Review,* Issue 1, pp. 50-59.

Steen, R., 2021. *MEDITERRANEAN LUXURY DESTINATIONS : OUR 6 FAVORITE FOR 2021,* s.l.: WORLDWIDE LUXURY YACHT.

Talukdar, N. & Yu, S., 2020. Do materialists care about sustainable luxury?. *Marketing Intelligence & Planning,* 38(4), pp. 465-478.

The Malta Business Weekly, 2020. *MTA welcomes launch of Malta Michelin Guide and announcement of first Michelin Stars on the island,* St. Julian's: The Malta Business Weekly.

The Malta Chamber, 2016. *Works On €7.5 Million Sa Maison Marina To Start Next Month.* [Online]
Available at: https://www.maltachamber.org.mt/en/works-on-7-5-million-sa-maison-marina-to-start-next-month
[Accessed 26 3 2021].

The Malta Chamber, 2021. *Malta Chamber Tourism Business Section welcomes Ministry's long-term strategy.* s.l., The Malta Chamber.

The Ritz-Carlton Yacht Collection, 2021. *ritzcarltonyachtcollection.* [Online]
Available at: https://www.ritzcarltonyachtcollection.com/luxury-mediterranean-cruises
[Accessed 28 10 2021].

Thirumaran, K. & Raghav, M., 2017. Luxury Tourism, Developing Destinations:. 2(2), pp. 137-158.

Uggla, H., 2017. The Price of Luxury. *IUP Journal of Brand Management,* 14(2), pp. 57-63.

UNESCO, n.d. *whc.unesco.org.* [Online]
Available at: https://whc.unesco.org/en/list/132/gallery/
[Accessed 28 10 2021].

Urry, J., 2002. The Tourist Gaze. In: s.l.:s.n., p. 5.

Walton, N., 2015. *researchethics.ca.* [Online]
Available at: https://researchethics.ca/what-is-research-ethics/
[Accessed 9 October 2021].

Williams, A., Atwal, G. & Bryson, D., 2019. Luxury craftsmanship – the emergent luxury beer market. *British Food Journal,* 121(2), pp. 359-370.

worldometer, 2017. *worldometers.* [Online]
Available at: https://www.worldometers.info/energy/malta-energy/
[Accessed 21 10 2021].

Worldometer, 2022. *Worldometer.* [Online]
Available at: https://www.worldometers.info/world-population/population-by-country/
[Accessed 9 3 2022].

Yeoman, I. & McMahon-Beattie, U., 2018. The future of luxury: mega drivers, new faces and scenarios. *Journal of Revenue and Pricing Management;,* 17(4), pp. 204-217.

# APPENDIX A

INTERVIEW QUESTIONS

# Appendix A

Thesis Subject:

- Malta, The Possibilities of Sustainable Luxury Tourism on a Mediterranean Island Megalopolis

Purpose:

- To collect first-hand knowledge from the tourism industry experts as stakeholders in relation to luxury tourism products in Malta

Course Name:

- Masters in International Hospitality Management

Student Name:

- Daniel Debattista

Participant Name:

- ________________

Interview Questions:

1. How do you define luxury?
2. What makes a product luxurious and how would you rate its importance?
3. In your opinion, in which segments does Malta offer a luxury product?
4. Does expenditure differ from locals to foreigners? If yes, how?
5. From your knowledge, does your clients consider Malta as a Mediterranean luxury destination?
6. In your opinion, is luxury consumption sustainable, and why?
7. In which category does your operation(s) have the most sustainable value?
8. In your opinion, how attractive is a career in the hospitality industry?
9. Rate the importance of the human resource value within the hospitality industry?
10. In your opinion, what can the government do to make Malta a sustainable luxury tourism destination?
11. Does the Institute of Tourism Studies provide or include any luxury related curriculum?
12. In your opinion, which Mediterranean destination(s) are our biggest competitors and why?
13. What are the challenges faced?