

Competitiveness of Istanbul as A Tourism Destination for Luxury Market

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Abstract

This study aims to evaluate concept of luxury within the tourism destination competitiveness framework. In today's world, where tough competition is prevalent, tourism destination competitiveness bears enormous significance to increase market share. In parallel, luxury is increasingly important and which has been referred to in various tourism fairs held throughout 2016. The study tries to weave together these two concepts; that is the conception of luxury with the idea of destination competitiveness (and the determining factors that it embodies). Through this combination, the study has generated a questionnaire for the evaluation of Istanbul as a luxury tourism destination. The results indicate that although Istanbul rates high in terms of endowed resources, created resources and demand, its competitiveness stands low in terms of situational conditions, supporting factors and tourism destination management. The results also help identify weak links such as security issues, political structure, and destination management, and help encourage the sector to analyze these issues that would eventually contribute to the increased competitiveness of Istanbul as a luxury destination.

Keywords: Luxury Management, Tourism Destination Management, Istanbul

Introduction

In today's saturated markets where competitiveness is harshly experienced, one of the most difficult and principal tasks fulfilled by sector managers is that of preserving and sustaining tourism destination competitiveness. The power of competitiveness posed by a tourism destination increases by the extent to which all of its alternative tourism products and attractiveness are conveyed to potential markets in detail.

The main purpose of this study is, first of all, to analyze and inquire on the conception of luxury within destination management with direct reference to destination competitiveness. Reports from the tourism sector indicate that the market shares of luxury brands are expected to rise. Because of the recent increase in luxury brands' investments in this city, Istanbul is chosen as the domain of the study. Various aspects of destination competitiveness have been studied in the literature, but without reference to a holistic perspective focusing on the conception of luxury. So this study tries to examine the relative importance of luxury drivers in the evaluation of tourism destination competitiveness.

In the literature review, the concept of luxury management and a definition of luxury are provide together with the factors that determine what luxury is and what it is not. In examining the topic of destination competitiveness this study follows the model developed by Dwyer and Kim (2003), taking a perspective of Istanbul as a luxury destination. A descriptive analysis of the results provides an indication concerning the factors that are the most important in determining the competitiveness of Istanbul as a luxury tourism destination.

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Literature Review

Deriving from the Latin root “luxus”, the concept of luxury has a variety of meanings. Throughout the history of humanity, luxury consumption has existed in different ways, and just like in modern societies, it has had an important role in Ancient Egypt, Greece and Rome (Berry, 1994). In terms of contemporary marketing, luxury describes a special layer in almost all categories of services and products. (Dubois et al., 2005:115).

Luxury has become a frequently used word in our daily lives. It has been estimated that by 2020, the luxury market will grow by 3-4%, and its total income will reach 280 billion Euros (D’Arpizio et al., 2016). There are two reasons behind this growth. Firstly, many brands are aware of the fact that luxury positioning directly influences the competitiveness of the brand. Secondly, when most of the consumers hear about or think of these products, services and experiences, they directly associate them with the trait of being luxury, thus they develop a positive attitude towards the brand (Chevalier & Mazzalovo, 2012).

When term luxury is considered, many definitions arise, including that of Langer and Heil (2013), according to whom, luxury is an element that possesses the qualities of being hedonistic, rare, difficult to obtain and use, of strengthening the social status and of making people go through a unique experience. The key terms associated with luxury are: price, rarity, exclusivity, perfection, history, art, time and dreams (Kapferer & Bastien, 2015: 85).

Wiedmann and Henning (2013), make the definition of luxury with reference to six different approaches: In the first approach, “luxury” is perceived as including inaccessible services, products and experiences; e.g. special jet planes, private islands allocated to single persons, yachts, etc. The second approach defines luxury as “my personal luxury”, and in contrast to the above-mentioned approach, evokes not always a product but usually a moment or experience that is truly sincere in nature. For instance, for a businessman that works extremely hard, taking a short vacation break in an exotic destination is luxury. Thirdly, “luxury” is a highly subjective concept. The concept of subjectivity implies the absence of obligation, and includes high price, prestige, status, personal connections, high quality and a hedonistic experience regardless of performance. Fourthly, “luxury sector” indicates the brands and companies that are considered by their peers as manufacturing and marketing luxury products or services. Whether the consumers find a specific brand a luxury or not, is not significant at this point. What is important is whether the brand is accepted as a luxury brand by other companies, as well. For instance, the perception aroused by the brand Armani may change from consumer to consumer. However, the Colbert Committee in France admits that it is a luxury brand. The fifth approach takes luxury within the framework of Luxury Market, and the sixth approach views it as a Luxury Strategy.

When another definition of luxury is taken into consideration, it may be seen that luxury is analyzed at three levels (Chevalier & Mazzalovo, 2012): *Inaccessible luxury* may include handicrafts or models uniquely manufactured for specific users within a single unit. An example is Rolls Royce cars. *Intermediary luxury* refers to the expensive imitations of individual models. For example, although haute-couture dresses may be classified under the title of inaccessible luxury, their imitations are included in this category. *Accessible Luxury* is used to mention all the products manufactured in plants and ateliers in large numbers or masses, such as perfumes, shoes, etc.

Langer and Heil (2013) have listed the following arguments as a starting point to better grasp some significant viewpoints concerning the literature on the concept of luxury. First of all, luxury has hedonistic and appealing functions, which find their roots in the creation of taste and tolerance. Luxury adds facility, comfort and unique experiences to our lives. Luxury establishes contact among individuals and elite social groups. Luxury is related to income and culture, and is therefore equal to the social status within the society. Luxury is regarded as a need for the obligatory continuation of luxury, and is in fact desired. The

perception of luxury is influenced by interrelated dimensions such as quality, very high prices, shortage, aesthetics, material, history, etc.

While studying luxury, in order to create a perception of luxury, the existence of certain traits is necessary to identify which products or services are perceived as luxury and what differences a luxury item should have compared to a normal item. These traits are explained as the factors defining luxury. These factors may stand as the preconditions of luxury or may be related to the effects that luxury creates. Moreover, an important precondition while making the right strategies for luxury marketing is a better understanding of certain luxury drivers that shape companies' strengths, weaknesses, opportunities and threats. Starting from this point of view, Langer and Heil (2013), studied luxury drivers in four dimensions. First one is product related dimension and it is divided into three categories such as, quality and aesthetics, the purchase situation, consumption situation of luxury. Second one is the socially related dimension that is related to cultural and social frame. Third one is segment related dimension refers to consumer segments. Last one is related to awareness and equity pertains to product and brand awareness.

In addition to the factors that define what luxury is, one question remains to be answered: what is the perspective on which, luxury should be based. Langer and Heil (2013) refer to the requirement of certain traits to maintain a perspective of luxury, that include qualities such as being unique, difficult to find, overly expensive, special, attractive and rare.

Despite an increasing number of articles on the topic of luxury consumption, there is a scarce research that is specifically focused on luxury in tourism destination. Due to the rising significance of the concept of luxury in the marketing of destinations, and social media coverage of the destinations by the consumers who frequent these places, this study attempts to analyze the concepts of luxury and tourism destination competitiveness together. Luxury consumption is increasing in volume; luxury accommodation services and luxury destination tourism are among the services that increase luxury consumption (Karamehmet & Aydin, 2015). The 2015-2016 ITB World Travel Trends Report also indicates the fact that the market share of luxury is predicted to rise, especially in the field of hotel management (ITB Report, 2016:6).

Despite the extant literature on destination competitiveness, the integration of luxury destination characteristics has been neglected. The model argued by Dwyer and Kim (2003), a model formerly implemented in the literature, has been chosen as the basic framework of this study, only to be applied with the perspective of luxury destination. This model, has also been empirically implemented in Korea and Australia (in 2001) and in (2004) and its methodology was applied to evaluate the tourism competitiveness of Slovenia (Gomezelj & Mihalic, 2008:295). It has therefore been used in this study for the case of Istanbul.

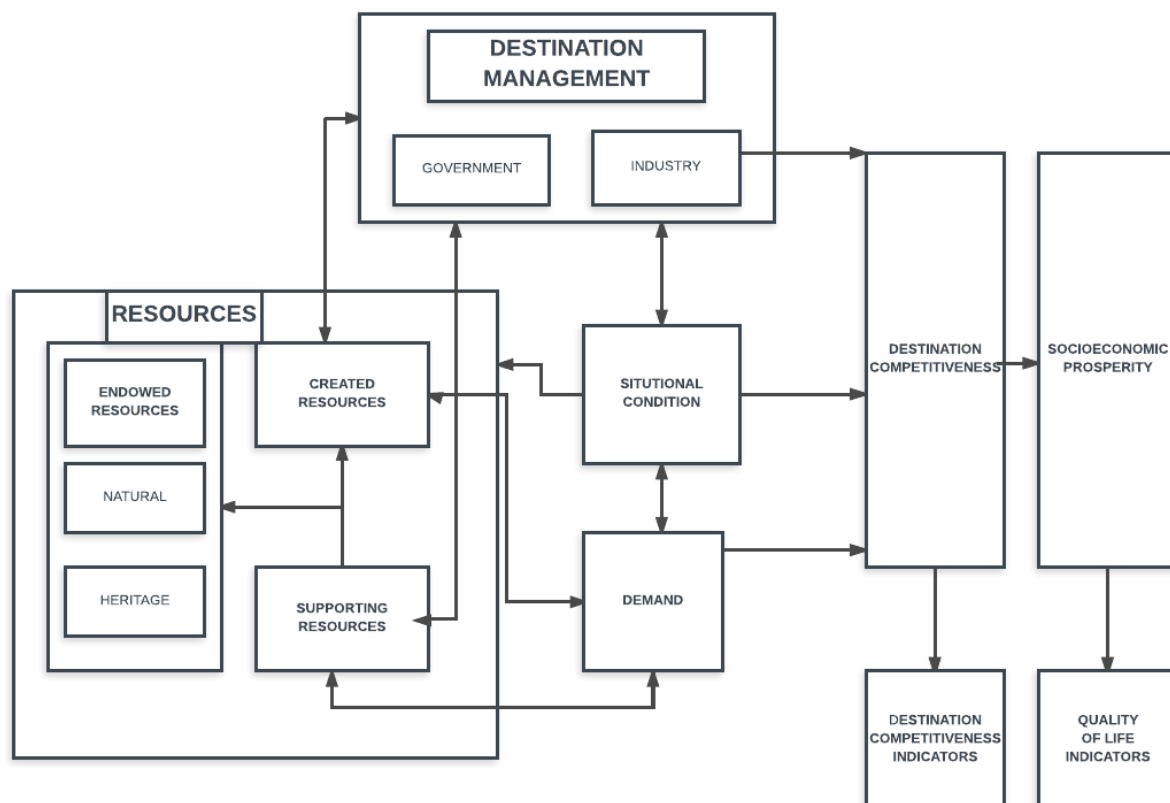
The power of competitiveness posed by various destinations is connected to the idea that certain experiences and services, which are considered significant by tourists within that specific destination, are offered to the tourists in a better way when compared to the ones offered in other destinations (Dwyer & Kim, 2003). Competitiveness is also defined as the capability of a destination to preserve its status within the market and to ensure its own development in a certain period of time (D'Hautesserre, 2000). In addition, competitiveness also expresses the ability of the destination to maintain its status against the competitors in the market, and to generate products that enrich its value with the purpose of preserving the sustainability of its resources (Hassan, 2000). Tourism destination competitiveness, on the other hand, is a broader term that includes the quality factors that determine price differences, efficiency levels of certain variables in the tourism sector and the attractiveness of the tourism destination (Dwyer et al., 2000:9). There are also environmental, economic, social, cultural, political and technological dimensions of tourism destination competitiveness. (Richie & Crouch, 2003: 2)

Numerous academics have studied tourism destination competitiveness and have thus provided various data on the subject, for example Richie and Crouch (1993), Keyser and Vanhove (1994), Evans and Johnson (1995), Hassan (2000), Kozak (2001), Mihalic (2000). For instance, Mihalic (2000) has studied destination competitiveness using an original perspective based on environmental factors and outcomes.

Many other studies that offer different perspectives have been carried out on the subject. For instance, Chacko (1998) has studied the issue focusing on destination positioning, whereas Buhalis (2000) gave primary importance to destination marketing and Dwyer et al. (2000) to price competitiveness (Crouch, 2010: 2). Kozak and Rimmington (1999) have offered both a qualitative and a quantitative perspective while analyzing destination competitiveness, with an emphasis on the number of tourists and the growth of tourism incomes in terms of quantitative factors, and on the classification of tourists' likes and dislikes in terms of qualitative ones. They have also listed the factors leading to the most positive results for the case of Turkey. In a similar manner, Kayar and Kozak (2010) have identified 13 factors that affect tourism destination competitiveness and have compared the competitiveness of Turkey and EU Countries.

In addition to the studies carried out on the subject, a variety of argumentations providing models and theories on destination competitiveness have also been made. An example is that of Richie and Crouch (2003), who offered the latest version of a conceptual model related to destination competitiveness. This model consists of 5 main groups and identifies a total of 36 symbols for destination competitiveness (Crouch, 2010:2). The groups are as follows: Destination policy, planning and development, Destination Management, Core Resources and Attractions, Supporting factors and resources, Qualifying and Amplifying Determinants. The latest version of the model developed by Dwyer and Kim (2003) is studied as follows:

Figure 1: Main Elements of Destination Competitiveness



Source: Dwyer and Kim (2003: 378)

As displayed in Figure 1, the model stands as a combination of the academic studies mentioned above, especially that of Richie and Crouch (1993, 2000), but also bears significant differences in some vital aspects. For instance, in the model suggested here, "demand" is regarded as a determining factor and plays a critical role in decision-making in destination competitiveness. Furthermore, the competitive power of a specific destination is not the final phase in the process of the development of national policies but more of a tool used for improving the socio-economic wealth of societies (Dwyer & Kim, 2003).

Dwyer and Kim (2003) categorize the resources into two groups: **Endowed resources** and **Created resources**. **Endowed resources** are the resources used by members of the society and are classified into two groups. The first one is Natural Resources such as lakes, beaches, facilities posed by the climate, etc., whereas the second ones are Cultural and Heritage resources, including handicrafts, traditions, cuisine, etc. **Created resources** contain tourism infrastructures, shopping centers, theme parks, special events, etc. In the model presented here, **Supporting resources** include factors such as accessibility in destination, accommodation services and service quality. **Endowed and Created Resources** are each allocated their own box, as is **Supporting Resources**. The other categories included in the model developed by Dwyer and Kim (2003) is the following: **Situational Conditions**: The location of the destination, price competition, security, microenvironment and global (macro) environment. **Destination Management**: Destination Management companies, destination marketing management, planning and development, human resources management, environmental management.

This study adapted from the model of Dwyer and Kim (2003) and Langer and Heil (2013) to luxury destination competitiveness. Table 1 given below shows possible integration of both model. Luxury drivers which are related to product and experience, social, segmentation and awareness and equity have been tried to match each factor of endowed resources, created resources, supporting factors, situational factors, demand and destination management factors of the model.

Table 1: Integration of Luxury Drivers and Destination Competitiveness Factors

| Luxury Drivers | Factors of Destination Competitiveness |
|--|--|
| Product and experience related to: | Artistic and architectural features |
| • Quality and aesthetics. | Heritage sites and Museums |
| • The purchase situation of a luxury. | Cleanliness |
| • The consumption situation of a luxury. | Traditional arts & handicrafts |
| | Attractiveness of climate for tourism |
| | Unspoiled nature |
| | Amusement/ Theme Parks |
| | Nightlife |
| | Airport efficiency / quality |
| | Local tourism transportation efficiency/ quality |
| | Quality of shopping facilities |
| | Special events/festivals |
| | Conference/congress/ business events |
| | Gambling possibilities |
| | Air ticket prices from major origin markets |
| | Accommodation prices |
| | Developing and promoting new tourism product |

Table continued on the next page

| | |
|--|---|
| Socially related: Luxury drivers are related to the cultural and social frame. | Tourist guidance and information Government co-operation in development of tourism policy Public sector recognition of important of sustainable tourism development |
| Segment related: Luxury drivers are related to consumer segments. | Diversity of shopping experience Food service establishments variety / quality Accommodation variety/ quality Variety of Cuisine Health/ medical facilities to serve tourists Destination has clear policies in social tourism (disabled, aged) |
| Awareness and equity related Luxury drivers are related to product and brand awareness. | Financial institutions and currency exchange facilities Telecommunication systems for tourists Accessibility of destination Political stability Security /safety Price of destination relative to other competing destinations International awareness of destination Overall destination image Level of co-operation (eg. Strategic alliances) between firms Development of effective destination branding Destination vision reflecting community values Educational structure/profile of employees in tourism Destination vision reflecting tourist values |

Research Methodology

Based on the above discussions, the survey has been developed by using some questions from the research of Dwyer and Kim (2003) that could be a destination competitiveness factor in luxury drivers. The reason why Istanbul has been chosen as a case in this study, is the cultural structure of Istanbul, in addition to the fact that it embodies a wide range of world-famous luxury hotel brands, the existence of luxury restaurant brands playing significant roles in food and beverage sector, and its being frequented by celebrities known worldwide, who especially visit Istanbul upon their arrival to Turkey. Also, Cetin and Walls (2016) have stated that the accommodation industry in Istanbul is becoming world famous for the ambiance and service attributes it offers. Many hotels in Istanbul have been awarded by travel magazines and travel organizations and therefore, analyzing luxury hotels in Istanbul can be considered relevant. At this point, a specific question inevitably comes to mind: "To what extent does the luxury perspective bear significance on the destination competitiveness of Istanbul?"

Data Collection

With the purpose of finding an answer to the question mentioned above, first of all, travel agencies and/or destination marketing companies that promote Istanbul in international markets and platforms were searched and inquired. The club named “Lux in Turkey”, the initial and primary establishment in the field of luxury tourism in Turkey, was contacted. The enclosed meeting held by the Club in February 2016 was attended by the researchers with this purpose in mind. This event included the participation of 130 international tourism sales and marketing agency executives with special expertise in luxury. A survey was administered to the event attendees during this two days event. The questions were prepared in English, since the majority of participants had an international background. These questions were delivered through a survey and administered face to face. A total of 37 valid questionnaires (30% of attendees) were collected.

Data Analysis

The data collected from the questionnaire results was analyzed by using SPSS. The first part of the questionnaire consisted of a total of 39 questions based on a Likert scale (5 being very high competitiveness, 1 being very low competitiveness). While interpreting the phrases in the questionnaire, the participants (executives from the tourism sector) regarded Istanbul as a luxury destination in terms of its competitiveness. Although all participants had already been working in luxury tourism, before they began answering the questions, they were asked to read the above-mentioned definition put forth by Langer and Heil (2013): “luxury is an element that possess the qualities of being hedonistic, rare, difficult to obtain and use, and of strengthening the social status and making one go through a unique experience”. The demographical qualities enquired in the questionnaire were age, gender, educational status, position at work, and the length of time spent working in the tourism sector.

Results and Discussions

The reliability of the measure used in this study was determined by the calculation of the Cronbach Alfa (α) coefficient. Overall the reliability of the scale was high ($\alpha=0,95$).

The assessment of the demographical part of the research indicates that the 67,2% of the participants were female and 32,4% was male. 82,4% of the participants was made up of undergraduates, whereas 11,8% had their master or PhD degrees. 89,7% was in managing positions in the travel industry whereas 10,3% was employees in the tourism sector. The participants have worked in the tourism sector for an average of 15 years.

In the questionnaire, the questions being asked on destination competitiveness were categorized in groups, therefore providing the opportunity to make descriptive analyses. The groups in the research, following Dwyer and Kim (2003), were titled as Endowed Resources, Created resources, Supporting Resources, Situational Conditions, Demand and Destination Management. The results of the analyses carried out for each group are explained in the following tables.

Table 2: Endowed Resources

| | Mean ¹ | Std. Deviation |
|--------------------------------------|-------------------|----------------|
| Artistic & Arch | 4.42 | .554 |
| Heritage & Museums | 4.65 | .538 |
| Cleanliness | 3.58 | .841 |
| Traditional arts & Handicrafts | 4.33 | .676 |
| Attractiveness of Climate | 4.24 | .723 |
| Unspoiled Nature | 3.50 | 1.02 |
| Endowed Resources² | 4.14 | .477 |

¹ 1=very low competitiveness; 5= very high competitiveness,² Mean is calculated with 6 variables.

As indicated in Table 2, a detailed analysis of the competitiveness of Istanbul with a perspective of luxury will lead to the result that the highest endowed value is made up of heritage and museums that belong to this destination. Artistic, architectural factors and the effect of climate also play a significant role. Nevertheless, the fact that the proportion of unspoiled nature has rated the lowest is also intriguing. When the general assessment of endowed resources is taken into consideration, it may be concluded that the competitiveness is high, with a rate of 4.14, in the overall competitiveness of Istanbul, viewed from the perspective of luxury.

Table 3: Created Resources

| | Mean¹ | Std. Deviation |
|--|-------------------------|-----------------------|
| Amusement/theme parks | 3.06 | 1.105 |
| Nightlife | 4.14 | .713 |
| Airport efficiency/ quality | 3.95 | .815 |
| Local tourism transportation efficiency/ quality | 3.94 | .826 |
| | 4.39 | .688 |
| Diversity of shopping experience | 4.29 | .667 |
| Quality of shopping facilities | 4.06 | .649 |
| Special events//festivals | 4.09 | .742 |
| Conference/congress/business events | 4.31 | .624 |
| Tourist guidance and information | 4.46 | .605 |
| Food service establishments | 4.70 | .463 |
| variety/quality | 2.96 | 1.224 |
| Accommodation variety/quality | 4.31 | .668 |
| Gambling possibilities | 4.09 | .519 |
| Variety of cuisine | | |
| Created resources² | | |

¹ 1=very low competitiveness 5= very high competitiveness,² Mean is calculated with 13 variables.

Regarding the competitiveness of Istanbul through a perspective of luxury, the highest rate is the variety and the quality of accommodation facilities. This rate was followed by the success of food services, shopping facilities and nightlife. At this point, it is clear that the main goal of this study and the drive it is based on are supported by the results. Lack of theme parks has also been mentioned by sector professional during the study. In addition, insufficiency of airports and public transportation has also been emphasized. The two questions inquiring both issues have been assessed on a scale lower than 4. Also gambling possibilities have been commented inadequate as gambling is restricted in Turkey. As the created resources are assessed and Istanbul’s competitiveness is viewed through the lens of luxury, the results show that competitiveness is high, with a rate of 4.09.

Table 4: Supporting Resources

| | Mean¹ | St. Deviation |
|---|-------------------------|----------------------|
| Health/medical facilities | 3.97 | .850 |
| Financial institutions& currency exchange | 3.82 | .834 |
| Telecommunication systems | 3.89 | .900 |
| Accessibility of destination | 4.36 | .683 |
| Security/safety | 3.47 | 1.05 |
| Supporting resources² | 3.87 | .667 |

¹ 1=very low competitiveness 5= very high competitiveness ² Mean is calculated with 5 variables

As for the Supporting Resources examined in Table 4, the accessibility of the destination has been assessed as the highest. Although security rates the lowest (with a rate of 3.87), upon the assessment of the supporting resources as a whole, it would be concluded that it only rates a bit lower than the other factors affecting Istanbul’s competitiveness evaluated through the perspective of luxury.

Table 5: Demand Conditions

| | Mean ¹ | St. Deviation |
|--|-------------------|---------------|
| International awareness of destination | 4.22 | .866 |
| Overall destination image | 4.22 | .898 |
| Demand conditions² | 4.21 | .803 |

¹ 1=very low competitiveness 5= very high competitiveness, ² Mean is calculated with 2 variables

As for awareness of the destination and its image (which are the prerequisites of demand) indicated in Table 5, the general rate is more than 4. The results gathered from the sector professionals have indicated that Istanbul is perceived as a luxury destination and as a destination carrying the image of being a luxury destination.

Table 6: Situational Conditions

| | Mean ¹ | St. Deviation |
|--|-------------------|---------------|
| Political stability | 3.29 | 1.100 |
| Air ticket prices | 4.14 | .762 |
| Accommodation prices | 3.94 | .791 |
| Price of destination relative to other competitors | 4.11 | .820 |
| Situational conditions² | 3.87 | .671 |

¹ 1=very low competitiveness 5= very high competitiveness, ² Mean is calculated with 4 variables

Table 6 displays the assessment of situational conditions for the competitiveness of Istanbul, and the results illustrate that political stability rates the lowest. However, when the pricing in Istanbul is assessed, Istanbul rates high in competitiveness in terms of prices, compared to its competitors such as Italy, France, Dubai and Spain. These competitors have also been asked by open-ended questions in the survey. In a thorough analysis of situational conditions as a whole, the results indicate that the competitiveness of Istanbul rates lower than other groups with an average of 3.87, again with a perspective of luxury.

Table 7: Destination Management

| | Mean ¹ | St. Deviation |
|--|-------------------|---------------|
| Government co-operation in development of tourism policy | 3.72 | 1.054 |
| Public sector recognition of importance of sustainable tourism development | 3.82 | .917 |
| Destination has clear policies in social tourism | 3.56 | .914 |
| Level of co-operation between firms | 3.93 | .998 |
| Development of effective destination branding | 4.09 | .588 |
| Developing and promoting new tourism product | 4.26 | .666 |
| Destination vision reflecting community values | 4.00 | .756 |
| Educational structure/profile of employees | 3.97 | .605 |
| Destination vision reflecting tourist values | 4.18 | .635 |
| Destination management² | 3.93 | .630 |

¹ 1=very low competitiveness 5= very high competitiveness, ² Mean is calculated with 9 variables

In terms of destination management, Table 7 illustrates that sector professionals have evaluated Istanbul with a rate below 4. They have particularly responded to the phrase “Istanbul has clear policies in social tourism” on the lowest scale. This, in fact, is evidence indicating that the tourism policies of the sector are being closely followed by foreign markets.

Conclusion

In order to grasp the notion of tourism destination competitiveness in the best possible way, all the factors having an effect on competitiveness should be taken into consideration. Although scholars have long been categorizing a variety of fields among factors affecting competitiveness, luxury as a factor affecting competitiveness has been neglected. It should be noted that this study does not approach the issue focusing on luxury consumers. The main element in the study that distinguishes it from other academic studies is the fact that specific executives of tourism agencies, who engage in the sales and marketing of Turkey -primarily Istanbul- in foreign markets, have assessed the competitiveness of Istanbul as a tourism destination seen through the perspective of luxury. Therefore, the results of the survey also bear major significance for WTM (World Travel Market) 2030 Global Trends Report, as it runs parallel to the trend implying that the interest in luxury is here to stay (World Travel Market, 2016:41).

When the competitiveness of Istanbul is closely examined, it may be concluded that the city’s cultural heritage, historic monuments and museums are vitally important. Istanbul is an attraction for tourists with its hotels, cuisine, and food service quality and services it offers. In addition to these nightlife is charming. Shopping centers and shopping malls that embody worldwide brands especially on the increase in recent years, have also affected competitiveness of Istanbul positively. Festivals and concerts have also made the city more attractive in foreign markets. Attractiveness of climate also means luxury especially for Russian market. Istanbul has been determined accessible and air tickets prices are capable to compete with other competitors. The perception of Istanbul as a luxury destination, and its having a luxury image, has also been mentioned by the sector executives who took part in the study. Nevertheless, some critical issues, which arose from the study, need to be discussed. These are; the quality and efficiency of Istanbul’s airports (and the contrast they create when compared to the luxury image that the city has), security issues, protection of the environment and cleanliness. Turkey’s political stability has been tracked by foreign market critically and our political stability should be considered with perception management. Like political stability, destination management factors should be taken into consideration with the perspective of brand management.

In conclusion, Istanbul, taken as the first example while studying luxury destination competitiveness, was evaluated by sector professionals who utilize luxury as a marketing tool in foreign markets. This study can be a different perspective for evaluating tourism destination competitiveness. In this study, the luxury concept has been integrated in destination competitiveness for the first time in the literature. This is the first application of this model. It should be developed and applied to other destinations with structural characteristics.

The research was subjected to some limitations; Firstly, the questionnaire was carried out during the process of a business meeting. Secondly, the sector professionals coming from different countries upon an invitation to the event were asked to fill in the questionnaire form in their spare time or coffee breaks. The time restrictions during the coffee breaks and these professionals’ general lack of spare time directly affected the size of the sample.

Further research could investigate hotels since they constitute a very important part of the tourism sector and stand as very attractive examples of luxury destinations. The same

questionnaire may be administered to top managers of these hotels, this time focusing on aspects of hotel management.

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