

# Luxury Tourism Consumption: An Investigation into Luxury Value Perceptions during Difficult Economic Times

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# Research questions and context

What is 'luxury' in a tourism context and do luxury value perceptions remain stable in constrained economic times?



# What is luxury?

- ✓ Subjective and multidimensional concept
- ✓ Luxury more than necessary and ordinary characteristics compared to other products of their category, which include:
  - relatively high level of price,
  - quality,
  - aesthetics,
  - rarity,
  - extraordinarily,
  - symbolic meaning (Heine & Phan 2011, p.112).

# Demand for luxury and travel

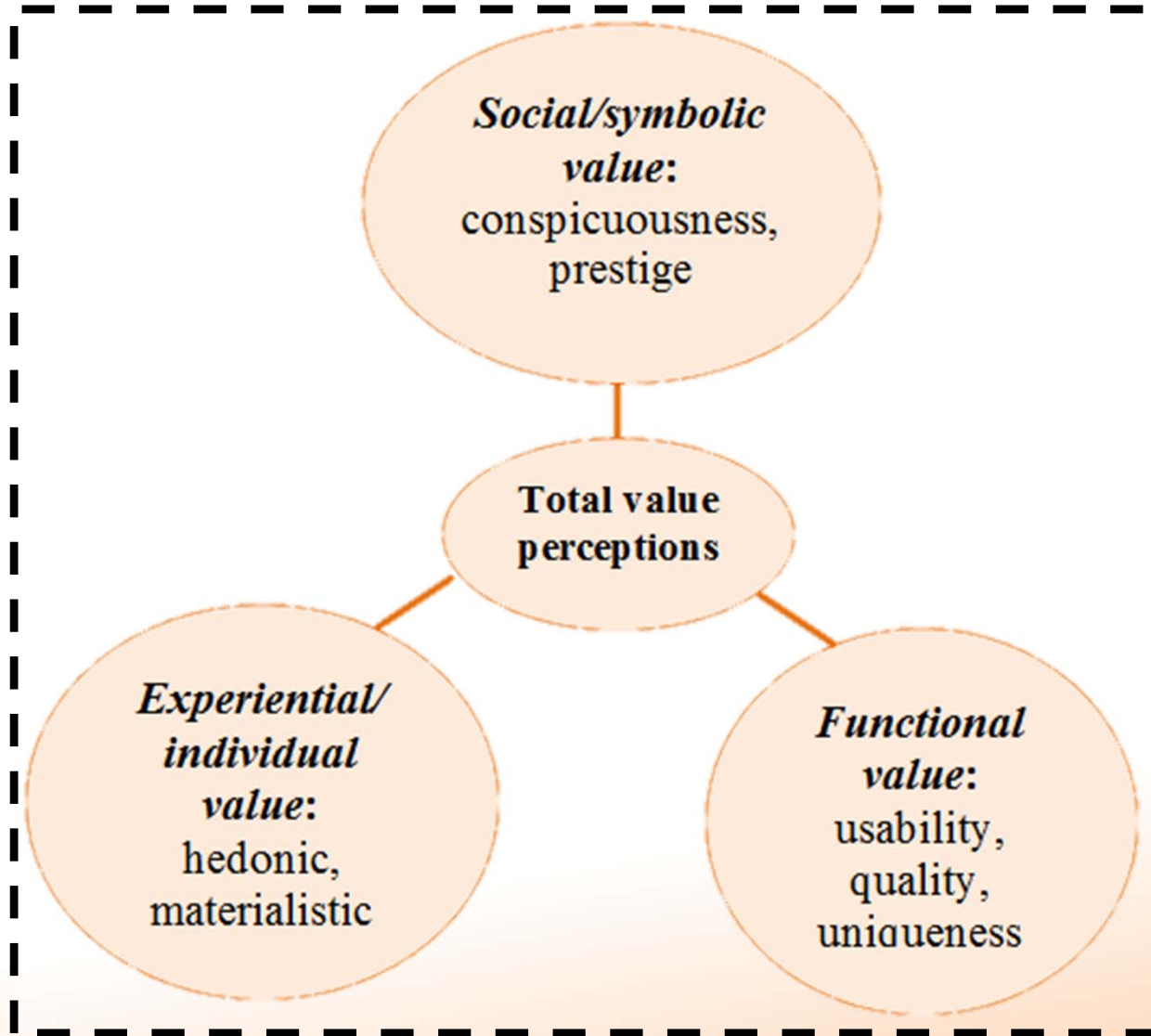
## Changing perceptions of luxury and travel:

- ✓ **Luxury : limited accessibility** (Miyazaki et al. 2005) **VS.**  
**massification** (Hung et al. 2012)
- ✓ **Tourism: luxury vs. necessity** (Dolnicar et al. 2012)

One of the most resilient economic sectors during the economic recession

- ✓ Demand for luxury products and services is **constantly growing** (Berthon et al. 2009)
- ✓ High end travellers are an important target for international tourism destinations

# Luxury value perceptions measurement



Information sources: Three value based dimensions (Berthon et al 2009); Four factors luxury value perceptions measurement model (Wiedmann et al. 2007); Five factor Brand Luxury Index (BLI) model (Vigneron & Johnson (2004).

# Literature gaps

Tourism literature

Luxury value perceptions literature

What constitutes luxury holiday?  
What are consumer's *attitudes* towards luxury holiday consumption?  
How consumers *prioritise luxury* holiday consumption?

Research interest

The existing scales do not correspond to each other.  
*Value perceptions* of luxury consumers' experiences and *motivating factors* behind purchase intentions are *under investigated*.

# Methodology

- ✓ Small-scale qualitative in-depth interviews
  - Lasted between 15 minutes and one hour in length
- ✓ Sample
  - 21 British consumers were interviewed
  - Included both luxury and non-luxury users
  - Informants were chosen with various job roles including: business owners, top managers, young professionals and senior citizens
- ✓ Sampling - convenience sampling technique



# Preliminary findings : What constitutes luxury in the context of tourism?

- ✓ Destination
- ✓ Accommodation
- ✓ Attractions
- ✓ Activities and events
- ✓ Travel & transport

'It v  
'Experiences are luxury. I like  
wherever possible my  
creature comforts, but you  
know, if the only experiences  
at a particular area are to  
but. I would

'If I am going on a  
holiday I will go away  
and take time to relax. I  
want everything in the  
right place'



# Preliminary findings

## Luxury travel experience stimuli

### ✓ Lifestyle

- ‘If I go on holiday I want luxury there. I have luxury at home so why would I go to rough it somewhere else?... I want some kind of standard maintained’
- ‘I live a very high standard of living. Unless I go to top class places, it’s a step down.’

### ✓ Interests

- ‘I buy very much on my taste and value system.’
- ‘The main reason in terms of luxury from my point of view was seeing the race itself.’

# Preliminary findings

## Luxury travel experience stimuli

### ✓ **Marketing activities**

- ‘It wouldn’t be called luxury unless it would be marketed as a luxury holiday as such.’
- ‘I think that going on a cruise it will be a part of luxury. I think that’s what they package cruises as.’

### ✓ **Previous travel experience**

- ‘Golly gosh’ you go to Penang every year, but to me it’s very normal. To people who don’t go there, it can seem quite strange and probably quite exotic to be, but to me it just normal.’
- ‘The attraction of a 5-6 star hotel... for most people it is a big thing, but once you have done that as a business traveller one hotel isn’t that much better than the other.’

# Preliminary findings

## Luxury travel experience stimuli

### Human interaction:

#### ✓ Fellow holiday makers

- ‘I think if you set a standard for you self you look for that standard... It doesn't mean to say that we would be of a same social standing, but we would be of the same social thinking.’

#### ✓ Staff

- ‘They are not looking down on us for being common. ‘
- ‘Small touches, make you feel that you are not invisible, but it's not like when you go to the restaurant and have a waiter hanging above. It makes you feel uncomfortable. ‘

# Preliminary findings

## Luxury travel value perceptions

### Individual

- ✓ I like to be waited on
- ✓ Like to be **looked after**
- ✓ I aspire for us to have and to give my daughter **the best life** we can
- ✓ We like a bit of luxury
- ✓ Make me feel **special**
- ✓ To commemorate a special **occasion**
- ✓ It is very important to me to make the **right memories**
- ✓ To have that **experience** is **beyond** anything that I would have ever **dreamt of**

### Functional

- ✓ **Quality**
- ✓ **Comfortable** environment that is different from home
- ✓ If you go on what is known as a luxurious holiday, you take **less of a risk** in having a great time
- ✓ Good **standard**
- ✓ **Utilitarianism** to my luxury, it has to be useful not decorative
- ✓ Security
- ✓ I do not like travelling '**cattle**'
- ✓ Privacy
- ✓ Convenience

# Preliminary findings

## Luxury travel value perceptions

### Symbolic

- ✓ I have **rivalry** with my friends
- ✓ I have no interest in what everybody else thinks
- ✓ I do **not need** to get **approval** from others
- ✓ I can be a bit of a **snob**
- ✓ I do not want people to feel that I am **showing off**
- ✓ You are associated with the people that are a bit **flash with the cash**
- ✓ **Prestige**
- ✓ I do not like to sit with the riff raff by the pool

### Social

- ✓ I want to come back and **tell people** about my holiday, because they haven't been there
- ✓ I will **share** my photographs with all my friends. So they get to see what I get to see
- ✓ It is very important to spend **time with family or friends**
- ✓ I do not go on holiday to meet people

# Preliminary findings

## Tentative luxury tourism consumption types

- ✓ First group:
  - Accustomed to luxury products in everyday life
  - Consume luxury tourism consumption in private
  - Prioritise functional product attributes
- ✓ Second group:
  - Value conscious consumers
  - Self-gift giving, reward or commemoration of special occasions
  - Prepared to trade off
- ✓ Third group:
  - Appreciate certain comforts
  - Uniqueness & authenticity

# Initial findings

## Influences in luxury travel value perceptions

- ✓ Economic recession had no influences
  - ‘I am retired. Whatever money I am going to make, I have already made it.’
- ✓ Economic recession had influence
  - ‘In the last two years, I probably I have cancelled two holidays. I’d rather have fewer trips but have a good quality.’
- ✓ Changes in life
  - ‘As I got older the parameters changed.’



# Contributions

## ✓ Conceptually:

- The study contributes to tourism literature by defining what constitutes luxury for tourists

## ✓ *Practically:*

- *Demonstrate how consumers engage in luxury travel experiences based luxury value perceptions*
- The findings provide beneficial information: for tourism policy makers on how to set luxury measurement standards; for private sector on how to design and implement strategic actions based on differing luxury value perceptions.