**Luxury Consumerism in Times of Economic Disruption: Experiences Related to the Hospitality Sector.**

**Introduction:**

Luxury is defined as a condition or state of abundance or comfort, adding to pleasure but not necessary. The concept is abstract and is determined by the interpersonal and personal dimensions (Iloranta, 2019). In the hospitality sector, luxury means having a passion for the best delivery, with the highest level of excellence in the experience (Correia, Kozak, & Del Chiappa, 2020). In this case, customers seek one-of-a-kind experience with uniqueness in culture and individualized services. This form of luxury is dependent on the specifics of consumers (Wiedmann, Henngs and Siebels 2009) based on their desires and needs. Luxury can thus be perceived in different ways by different sets of consumers (Wiedmann et al, 2009) and may ultimately depend on the perceptions of consumers (Bauer et al, 2011). There are, however, certain characteristics associated with luxury, which often relate to quality and branding (Keller, 2009; Tynan et al, 2009).

The aspect of luxury consumerism is based on understanding the branding and uniqueness of a product or service, which then can be used by consumers consciously, or subconsciously to generate a mental stature of luxury with the price range operation of the brand. In this case, the consumer looks to find destinations and services with exclusivity (Rohit Arora (2013). The phenomenon of luxury is meaningful only to those who place great value on their social status through the consumption and acquisition of services and products and thus have the highest likelihood of visiting destinations that are noticeable, prestigious, and conspicuous (Correia, Kozak, & Del Chiappa, 2020). In the hospitality sector, this means consumers take into consideration the luxury services and products available to them at the destination and make choices based on personal preferences.

There are different types of luxury consumers: there are *the experimentalists* who use their experiences on exclusivity, enrichment, and authenticity, focussed on adventure and culture. They seek to create deep emotional connections with brands that tell stories and emerging destinations that provide them with unique experiences and a chance for self-discovery and growth. *The traditionalists* also look for experiences by displaying their wealth, which others validate through their envious reactions, and thus foster their sense of worth. This type of consumer values materiality, is conservative, and has the expectation of being waited on at all times. There are *the dreamers* who focus on their comfort zones with their dreams of a destination being based on virtual reality depending on the constraints of their personal finances. *The misfits* are those who look for an experience after saving up for a long time, looking to splurge on the once-in-a-life time experiences of luxury while also considering the zones of budget and luxury. There is also *the covert traveller* who hides their taste in luxury and extravagance under budget-friendly offers, seeking the acceptance of society and its perceptions. *The opportunist* is also a luxury consumer who plans their experiences around political turmoil, regional strife, and frightening headlines, by capitalizing on the unsettling situations and crisis that make a luxury experience more affordable.

**Literature review**

**Motivation-need theory**

Motivations for travel to a certain destination influence the process of decision-making, which are guided by clients’ wants and needs. Consumer motivation, according to Murray (1964), is inferred from a person’s behaviour and this reflects the needs of individuals. One of the most important theories used to support the relationship between such needs and motivation is Maslow’s (1943) hierarchy of needs theory that explains this aspect of motivation through the five goals of basic needs. The physiological needs are at the base, which are thirst, hunger and the need for air, overriding all the other needs. The other need is that of safety and security such as owning a home, saving money for future endeavours, buying insurance, etc. (Maslow, 2013). Love and belonging is next catering to the social needs leading to the needs for self-esteem, and self-respect and thus acceptance and affection. At the top is the need for self-realization or self-actualization where one develops their potential, the need to build or create a character or personality, the need for aesthetic stimulation. Through these needs, one can place the motivators at specific levels, understanding how the needs can influence the decisions of the consumer (Yousaf, Amin, & Santos, 2018).

**Push and Pull Factors**

Push and pull factors relate to additional motivational factors that describe socio-psychological forces that determine the need for choosing a luxury hotel and the attributes that attract individuals to specific destinations (Dann, 1977). The need is often related to escape from daily routines (Crompton, 1979; Yuan & McDonald, 1990) with hospitality and services as pull factors (Sirakaya ( Mclellan, 1997). This feeling of escapism from everyday life provides sensations of wellbeing and consumer happiness (Bauer et al, 2011). Joshi and Rahman (2019) identified a number of psychological factors, which also influence consumer behaviours: factors such as price anchoring, motivation, consumer perception, and consumer attitude are recognized as the key determinant of how people make their consumption and buying decisions. In their review, Li, Zhang, & Cai (2016) reported that the travel patterns of individuals are closely associated with their psychological patterns. Todorovic and Jovicic (2016) indicated that the main reason for travelling is that people seek a break from their usual settings and schedules, allowing for relaxation and lessening of mental fatigue, and this tends to apply to luxury as well as other destinations. They look for restoration and replenishment of their sense of well-being, recharging and regenerating their lives. This is driven by motivations that inspire people to travel for experiences (Um & Crompton, 1992). Dann (1981) established that the state of mind of the consumer is a major influence on their travel plans, creating an understanding of the types of motivations that determine positive choices and needs of travel. However, Ryan (1991) stated that motivators can change over time, according to specific needs and wants.

**Theory of Planned Behavior/ Theory of Reasoned Action**

The theory of reasoned action was first developed in the late 1960s by Martin Fishbein and Icek Ajzen, which based its analysis on the significance of the pre-existing perceptions and attitudes in the buying and consumption decision-making process. In his research, Ajzen (1985) indicated that the intentions to perform different behaviors can be used in predicting the attitudes toward a behaviour with high accuracy, their subjective norms, and perceived behavioral control, in addition to the perceptions of behavioral control. According to the analysis by Yzer (2017), the theory assumes that most consumers behave according to their intentions to receive or create a certain outcome. In that case, it is assumed that consumers act rationally to achieve their best interests. From this theoretical perspective, however, the specificity of the products or services offered to consumers play a critical role in influencing their consumption trends and decision-making (Yzer 2017). As further noted by Yzer (2017), the entire buying decision-making process, starting from the time the buyer develops the interest to the time the decision is made, the individual consumer tends to retain the ability and interest to change his/her mind to opt for a different product or service. In addition, in terms of luxury consumerism, Potavanich (2015) found that luxury conveys the signal that consumers have a certain distinctive status.

**Factors influencing consumer behaviour and decision-making**

Different studies have been conducted to determine the actual factors that influence consumer decision-making and behaviours. Maniatis (2016) identified a number of personal factors that affect consumers’ buying behaviours, including their personality, consumer’s self-concept, gender, lifestyle, and age. These personality traits of an individual describe their disposition: Maniatis (2016) identified the Big Five traits, which influence how people make their buying decisions, including the agreeableness, openness, conscientiousness, neuroticism and extraversion. These factors determine how individual consumers react to adverts and other marketing campaigns within the market. For instance, people with extreme levels of openness tend to respond well towards the advertisements. They are sensitive to the information they get regarding the products they intend to purchase. Other factors also determine how such decisions are made. In another study by Mashao and Sukdeo (2018), consumer self-concept and gender were identified as the key determinants of how people make their buying decisions: self-concept defines how one sees him/herself, either negatively or positively. On the other hand, gender also determines how an individual makes their consumption decisions.

**Influence of Product and Service Attributes on Consumer Decision**

According to Heide and Olsen (2017), product attributes play a significant role in marketing from both the customers’ and marketers’ perspectives. As further noted by the authors, the concept has been widely used over the years to differentiate a particular brand from the competitors. They found out that a large number of consumers tend to value product/service attributes because they are primarily used for the evaluation of the product. Understanding the attributes of a certain product, therefore, enables consumers to determine features and the benefits of the product before making the actual buying decision: product attributes are categorized into either abstract or concrete, whereby, concrete attributes include different physical characteristics of a product and abstract attributes representing psychological characteristics. However, it may also influence how different cultures conceptualise luxury, as there will be variations in how they view these attributes. Research has shown that Western consumers are influenced by luxury consumption in a private context, whereas public luxury consumption is valued by Asian consumers (Dubois et al, 2005; Gao et al, 2009).

**The Problem statement:**

Luxury travellers make their hotel choices based on the experiences offered being closely aligned with their personal values. The perception of luxury and value can thus be used to explore attitudes and motivating factors for their choices leading to an understanding of decisions for choosing luxury resorts and hotels. Due to the current effects of coronavirus and the markets needing to change, this study will be based on those who have been used to luxury travel, who will be interviewed now and again in 2 years’ time, to provide a longitudinal study that will reflect the changing market.

**Research aim and objectives:**

The aim of the proposed research will be to investigate and to identify the aspects that attract many people to choose luxury hotels and resorts over the ordinary ones, the realization behind their decision. This seeks to identify fundamental obstacles, which obstruct guest decisions, and to ease it to help the hospitality sector in understanding what aspects they can change to accommodate and facilitate tourists.

Specifically, this research will be focused on the following objectives:

1) To explore current trends in luxury hospitality.

2) To investigate the external and internal factors that influence decisions on luxury tourism (hotels and resorts).

3) To compare cultural differences in attitudes to luxury consumerism.

The research questions that will be used to achieve these objectives are:

1. To what extent has the luxury hospitality sector been impacted by the pandemic?
2. How have consumers responded to restrictions on luxury travel?
3. What factors would influence consumers in choosing a luxury hotel?
4. How does cultural background have an impact on choice of luxury hotel?

**Research contribution**

The principal academic contribution of the proposed study lies in expanding the existing understanding of luxury consumerism related to the hospitality sector. This is a dynamic and changing environment, due the effects of the global pandemic.

The existing empirical studies on attitude have mainly focused on explaining how individual cognition, perception or features influence individual behaviour towards luxury consumerism. There has been a lack of academic research that has focused on the hospitality sector, a sector which has been badly affected by the pandemic. Economic, as well as travel constraints, may have had a significant influence on how this sector recovers, especially at the luxury end of the market. This study will provide further understanding of luxury consumption in a specific time of economic turmoil.

The findings of this research will be significant for those involved in the luxury hospitality sector. Since there is a lack of empirical investigation on consumer attitudes towards luxury consumption in hospitality, the companies now only have to rely on their own research and industry reports. The findings of the proposed study will offer more insight into this market for those in the luxury hospitality sector that might help them to design better business strategies in the future.

**Methodology**

The proposed study is exploratory in nature, as it wants to explore a relatively unexplored area given that there is lack of research in this field. The underlying philosophy of this research would be interpretivism as it wants to interpret consumer attitudes towards luxury tourism in terms of exploring the factors that determine consumer decisions. Given its exploratory nature, the proposed study will use a qualitative research strategy, as qualitative data is more suitable than quantitative data for exploring a topic in depth. Qualitative data will be collected mainly from primary sources, as there is a lack of secondary sources on the chosen research topic. Hence, this qualitative primary research involves dealing with human beings and their capacities to accord meaning to phenomena within their environment (Bryman 2012). This enables the researcher to understand how people view and interpret various issues related to the topic of investigation (Saunders, Lewis and Thornhill 2012). Since qualitative methods also enable the researcher to interact with the participants in their natural environments (Yin 2011), the choice of a qualitative method will be useful in this study to ensure that the researcher gets first-hand insights from the luxury consumers concerning their behaviour and choices of hospitality destinations.

In the proposed study, the researcher will interact with consumers as the subjects of this study and their attitudes towards staying in luxury hotels.

Primary data will be collected through face-to-face semi structured interviews to enable the gathering of qualitative data (Creswell 2014). Semi-structured interviews will be most appropriate to address the research questions and objectives because they allow the interviewer the freedom to interject and steer interview sessions towards addressing the research objectives when s/he feels that the interviewees are deviating from the research context. Information about the research will be sent out and potential participants given the research description through emails and willing participants asked to send their applications to a given email address. The researcher will then purposively select a minimum of 30 luxury consumers and they will be interviewed on their perceptions about the brand, their own social image in association with their luxury hotel stay, their motivations and cultural factors relevant to their choice. Interview sessions will be audio-recorded and later transcribed for analysis.

In order to persuade the potential participants to take part in the interview process, the author will describe in detail the research purpose along with potential benefits and risks associated with the participation to each of the potential participants. They will be assured of full confidentiality about their identity while taking their written consent. Moreover, they will be assured about the complete absence of any harm to them, physical or emotional, during the research process. Proper care will be taken to avoid any kind of sensitive questioning and none of them will be forced to answer the questions that they would not like to answer. All these measures will help to make the potential participants agree to take part in the interview process.

**Research timeline**

The research timeline will be spread across the 36 months assigned to the course as illustrated in Table 4 below. The first six months will be used for the proposal development, presentation, submission and defence for approval to proceed with the study from the university dissertation team. Upon securing approval to conduct research, the research will set out to compile literature, review it and prepare the methodology for 16 months from month 6 through month 21. Preparation of the interview guide and conducting of a pilot study is planned to take three months (months 22 through 24). This will run concurrently with establishing contact with tourism stakeholders to seek an invitation as a researcher and observer though contact efforts will have started at month 19 through month 24. However, the scheduling, undertaking of the interviews and observations is allowed up to eight months (months 25 through 32) to allow for any shifts in the dates that the participants will be available in addition to the delays in traveling due to the effects of covid-19 on the tourism industry. Data analyses are projected to take a month while compilation of the final dissertation and submission for review will be allowed up to two months (34 to 35). Should there be any revisions or amendments required on the dissertation, the researcher has allocated the last month of this course for this purpose and for any final submission procedures including printing, preparation of media copies and so on.

Table 4: *Research timeline*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity | Time (Months) | | | | | | | | | | |
| 1-5 | 6-12 | 13-18 | 19-21 | 22-24 | 25-27 | 28-32 | 33 | | 34-35 | 36 |
| Proposal development, presentation, submission and defence |  |  |  |  |  |  |  |  | |  |  |
| Literature compilation, review and methodology writing |  |  |  |  |  |  |  |  | |  |  |
| Interview guide preparation and pilot study |  |  |  |  |  |  |  |  | |  |  |
| Establishing contact with EXCS Motor Show organisers |  |  |  |  |  |  |  |  | |  |  |
| Scheduling and conducting of interviews and observation |  |  |  |  |  |  |  |  | |  |  |
| Data Analyses |  |  |  |  |  |  |  |  |  | |  |
| Final Dissertation compilation and submission |  |  |  |  |  |  |  |  |  | |  |
| Final revisions and Final Submission Procedures |  |  |  |  |  |  |  |  |  | |  |

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