

13

Towards a Research Agenda for Luxury in Tourism, Hospitality and Events

Introduction

Whenever I write a book about these three sectors I am struck by the lack of good academic research, and this book has been no exception. Indeed the luxury end of tourism, hospitality and events seems to have been largely ignored despite the fact that, per head, it brings the highest economic benefits to both organisations and destinations. And 'luxury' is also a term used freely in the marketing communications of most organisations in these sectors – even at the lower price levels.

Perhaps the reluctance to research in this area relates to the fact that it is seen to be about elitist travel and this elitism may carry a stigma of its own. Furthermore it only covers a tiny minority of those travelling around our planet in their leisure time, so is perhaps felt to be of less importance than mass tourism. This is unfortunate as luxury travel has a disproportionately high per capita economic impact, and its environmental impact is intensified as these are the travellers who can afford to visit some of the most isolated and fragile ecosystems in the world.

Or it may be that the lack of research may simply reflect the fact that the term is difficult to define and place within a simple conceptual structure. Luxury is also a term that cannot be easily contained within a box labelled 'tourism, hospitality and events', as it spreads across a much broader canvas that encompasses everything from retailing to fashion, media to technology, lifestyle to personality. Furthermore, in terms of academic disciplines it crosses many including history, psychology, sociology, geography and economics not to mention the huge 'discipline' of management, that catch-all phrase covering a range of subjects such as marketing, finance, human resource management, and so on.

Whatever the reason behind the lack of research I hope in this chapter to highlight where research is needed, and in doing to motivate researchers to start to look more deeply at the subject of luxury in tourism, hospitality and events.

Figure 13.1 sets out the main areas where research is required in this field and each of the points identified will be discussed later in this chapter.



Figure 13.1: The scope of a research agenda for luxury in tourism, hospitality and events

Let us now look at the factors identified in Figure 13.1 in a little more detail.

■ Definitions of luxury

First, let's begin by looking at the issue of definitions of the meaning of luxury in tourism, hospitality and events. There is no single accepted definition of luxury in our sector – it is as if people do not think it necessary to define it everyone understands what the term means. But as this book has hopefully shown, this is simply not the case, for it is a complex matter. And if its meaning has been clear in the past, I have suggested, throughout this text, that the meaning of luxury is changing and will continue to change so old definitions will become increasingly irrelevant. We need to interrogate the idea that luxury means the same in tourism, hospitality and events as it does in other sectors such as fashion, retailing or cars. Maybe it does and maybe it does not. We also need to develop definitions that are based on the perceptions of consumers and that recognise that there may be national and cultural differences in these definitions. Finding realistic and usable

definitions of luxury will allow us to gather data on the luxury market which is reliable and provides a sound foundation for the segmentation of the luxury market. This could potentially involve the development of new terms to replace the word 'luxury' of course – who knows!

■ What does luxury mean?

Second, we need to look 'under the skin' of tourism, hospitality and events and explore what luxury means in the various sectors of these industries, such as airlines, cruise ships, hotels and villas, restaurants, visitor attractions, sporting events, cultural events and so on. We need to establish if there are common threads between them in relation to the meaning of luxury and identify clear differences between these elements. Some may be because some relate to the journey to the destination while others are firmly based in the destination. Some may be the motivator for taking a trip while others are the things needed during a trip, such as a bed and meals, yet at times it can be the hotel or the restaurant itself which can be a major motivator for the trip.

■ What is luxury service?

Third is the question of what the term 'luxury service' means. While there is a plethora of really interesting papers about service in our sector, little attention has been paid to typologies of service in the luxury market. Yet it is clear that across tourism, hospitality and events the concept of luxury service is evolving as we saw in Chapter 9. This research needs to focus not only on how service is delivered but perhaps more importantly on how it is received by the consumer. It also needs to focus on the three stages of service, namely the purchase process, the consumption phase and after-sales service and complaint resolution.

■ The supply side of luxury

Fourth, we need more research on the supply side of luxury, particularly in relation to the following;

- Product development, in terms of how long it takes and costs, and the extent to which it takes on board ideas such as experiential marketing and co-creation.
- The pricing of luxury products, and decisions to discount so-called luxury products and experiences, particularly in the hotel sector.
- Loyalty programmes and the opportunities they provide for those regular business travellers, who may not normally be luxury travellers, to access luxury services such as flight and hotel room upgrades free of charge through the accumulation of points or miles.