

7 Understanding luxury millennial consumption experiences as means to improve brand value

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Abstract

Luxury customer experience (LCX) is characterized by higher degrees of attention, exclusivity, personal space, augmented products and services, and personalization – all at a premium compared to standard offerings and to a smaller customer base. Brands and consumers of luxury experiences forge intense, intimate, and memorable bonds, which they communicate more widely with others – further amplifying emotional connections. Also, in a form of accrued social currency, these experiences are converted into increased perceptions of value and status beyond functionality.

Airline companies have managed to segment, compartmentalise, and leverage travel in the same flight, for different price points and experiences, in a way that challenges classical notions of luxury and quality. This chapter focusses on the habits, perceptions, experiences, and aspirations of millennial travellers. It examines the trend of millennials choosing to travel on premium packages, for recreational reasons. Linked to this, definitions and perceptions of luxury, branding, identity, and social currency are explored – to understand how LCX can be used to improve airline brand values and marketing activities. The chapter presents a conceptual model and checklist designed to help align airline branding and LCX as a sequenced and holistic approach, which may have wider applications in the luxury hospitality, tourism, and events industry.

Keywords: Airlines, luxury, millennials, luxury branding, luxury customer experience, consumer behaviour

Origins and advancements of luxury consumption

Luxury is no longer the domain simply of scarce and rare tangible goods – it also stretches to premium inimitable intangible services (Derval, 2018). The airline industry is no exception in embodying this approach – with some carriers working towards providing Luxury Customer Experiences (LCX) in order to outmatch their competitors, supported by luxury branding strategies.

According to a basic dictionary definition from Merriam-Webster (2020), ‘luxury’ comes from the Latin ‘*luxus*’. The word etymology refers to ‘lust’ or ‘pleasure of the senses’. Throughout the centuries the evolution of the word ‘luxus’ has changed – incorporating French forms of meaning derived from ‘*luxe*’ and ‘*luxure*’ meant ‘wealth’ and ‘pampering’.

Today, *luxury* is generally described as something extravagant and lavish. Luxury embodies a lifestyle, philosophy, and culture – where it is a distinctive form of identification from others driven by excellence and characteristics of high-quality (Okonkwo, 2009). From a business perspective, Keller (2017) defines luxury as a premium and aspirational image – arguing that luxury brands are the output of a marketing strategy.

Luxury service consumption can be split into two broad categories:

1. **Conspicuous consumption:** overt expressions obvious to many,
2. **Inconspicuous consumption:** subtle, less noticeable, expressions to a select group of connoisseurs, which more recently has been termed *quiet luxury*.

It’s worth noting that the luxury brands, objects, and services consumed can be conspicuous or inconspicuous by nature or design – but rendered the opposite by how they are marketed, used by consumers, or shared with consumers’ social groups. For example, a private and exclusive luxury spa experience, when shared on social media widely becomes a conspicuous and public.

According to Veblen (2016) [originally published in 1899], conspicuous luxury consumption is “*noble and honorific*” and is the domain of