

10 Prestige Hotels on Sale? A Cluster Analysis of Luxury Consumers

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The objectives of this chapter are to:

- ☐ Better understand the motivations of luxury consumers to use or avoid private sales travel websites for booking luxury hotels, using a qualitative approach,
- ☐ Identify different luxury consumers' profiles of such websites, using a quantitative approach,
- ☐ Better comprehend the paradox of offering discounted luxury on these platforms.

Introduction

The luxury hospitality industry rose to an estimated €213 billion in 2023 (Bain & Co, 2024), surpassing its pre-COVID-19 levels. Moreover, the Internet has become an unavoidable distribution channel and a notable player in the luxury and tourism sectors (Bain & Co, 2019; Bhat & Shah, 2014; Lee & Morrison, 2010; Lehto et al., 2006). The share of online luxury goods purchases has doubled since 2019 (Bain & Co, 2021). In this context, different industries, such as fashion or travel, have faced the emergence of private sales websites (Ayadi et al., 2013). Specifically, private sales travel websites (PSTW) can be defined as private clubs offering to their members a limited selection of luxury trips around the world with discounts of up to 70%. These platforms are very successful, as proven by the turnover of 682 million Euros achieved by the leader, Voyage Privé, in 2022. This company is present in eight countries and has 52 million members.

Nevertheless, we know that consuming luxury through PSTW is an intrinsic paradox as discounts on luxury brands are risky because “*they reinforce the suspicion of consumers towards the price*” (Roux, 2009, p.29), and they can damage the notion of luxury itself (Senol et al., 2015). Therefore, this research aims to understand better luxury consumers' motivations to consume or not engage in luxury