

## **Luxury Travel: Is it only for the affluent?**

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### **Abstract**

This paper brings forward a conceptual model including the financial domains of luxury travel. Hereby we propose that luxury travel can not only be assessed from an absolute travel expenses perspective (travel expenses of the potentially affluent, i.e. tycoons, high net worth individuals, or rich, etc.), but a perspective needs to be included which accounts for travel expenses in relation to resources, such as income. We test to what extent objective (destination choice, accommodation choice, and trip duration) and subjective (travel motivation, travel type) travel descriptors can predict if a given trip in the above context can be considered a luxury (vs. a budget) trip. The results for the case of Switzerland – a mature and sophisticated market – reveal that luxury travel does not only constitute intercontinental travel with staying in five star plus hotels but incorporates a much broader variety of travel components, very much dependent on the perception of the traveler.