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LUXURY VS BUDGET TRAVEL HOW MARKETING STRATEGIES SHAPE CONSUMER BEHAVIOUR

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ABSTRACT

In today's rapidly evolving tourism landscape, travelers are increasingly segmented not only by their spending capacity but also by their behavioural responses to digital marketing strategies. This study examines how luxury and budget travellers differ in their receptiveness to four major digital marketing techniques: price promotions, social media influence, personalized marketing, and urgency-based offers. While luxury travelers often value exclusivity, brand identity, and curated digital experiences, budget travelers prioritize affordability, practicality, and time-sensitive deals. To empirically assess these differences, a structured survey was administered to 250 recent travelers, equally divided between luxury and budget segments. Statistical analysis using Chi-square tests and ANOVA validated four hypotheses, confirming that all examined marketing strategies significantly influence consumer behavior – though in different magnitudes for each group. Notably, budget travelers showed stronger sensitivity to price and urgency cues, whereas luxury travelers responded more to personalization and social media narratives. The findings underscore the need for a dual-strategy approach in travel marketing – one that goes beyond income classification and considers psychological triggers and digital touchpoint engagement. This paper contributes to the field by providing actionable insights for marketers and travel brands to tailor their campaigns based on behavioural segmentation, ultimately enhancing customer engagement and satisfaction.

KEYWORDS : *Luxury travel, budget travel, digital marketing, consumer behavior, price promotions, personalization, social media influence, urgency marketing, behavioral segmentation, travel industry strategy*

1. INTRODUCTION

The global travel and tourism industry is undergoing significant transformation driven by digital innovation, evolving consumer expectations, and the growing diversity of traveler profiles. In this competitive environment, the traditional segmentation of consumers into "luxury" and "budget" travelers based solely on spending capacity is increasingly insufficient. Instead, behavioral insights, digital engagement patterns, and psychological motivators now play a pivotal role in shaping travel decisions. Luxury travellers typically seek immersive, exclusive, and experience-rich journeys that align with their social identity and personal brand. They are more responsive to personalized communications, premium aesthetics, and social media content that highlights prestige and uniqueness. In contrast, budget travelers are highly value-conscious and driven by practical considerations such as affordability, promotional discounts, and functional travel benefits. They actively engage with digital channels to compare deals, find the best value, and make informed decisions—often in response to urgency-based promotions. Despite these observable distinctions, there is a lack of empirical research that directly compares how these two segments respond to key digital marketing strategies. This gap is particularly relevant in the post-pandemic era, where digital transformation in tourism marketing has accelerated, and traveler expectations have shifted dramatically This study addresses this critical gap by exploring the differential impact of four major digital marketing strategies—price promotions, social media influence, personalized marketing, and urgency-based offers—on luxury and budget travelers. Using a structured survey and statistical analysis (Chi-square and ANOVA), the research evaluates consumer responses and validates four key hypotheses to better understand the behavioral underpinnings of each segment. By moving beyond traditional demographic segmentation, this study advocates for a behavioural segmentation approach that enables marketers to optimize campaign effectiveness and improve customer engagement. The insights derived will help tourism stakeholders align their marketing strategies with the unique preferences and responsiveness of luxury and budget travellers in an increasingly digital world.

2. LITERATURE REVIEW

2.1 Luxury Travel Behaviour

Luxury travel is often associated with social distinction, exclusivity, and experiential richness. Research by Zain et al. (2023) indicates that luxury travellers are motivated by both intrinsic and extrinsic factors such as destination uniqueness and social status. These travelers often perceive travel not merely as leisure but as a form of identity construction, seeking experiences that reinforce their social position.

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According to Cohen, Duncan, and Thulemark (2014), platforms like Instagram and YouTube enable luxury travelers to signal affluence and taste through curated visual content, making social media a critical tool for luxury travel marketing. Moreover, Huang and Cai (2020) argue that luxury consumers respond more favorably to brand equity elements such as brand personality and emotional connection. Personalized marketing campaigns, loyalty programs, and high-end digital storytelling are more likely to influence these travelers. Their research shows that consumer-based brand equity (CBBE) significantly affects purchase decisions in multinational hotel chains, suggesting parallels for the broader luxury travel sector.

2.2 Budget Travel Preferences

Budget travelers are primarily driven by functional needs, cost-efficiency, and accessibility. Unlike their luxury counterparts, they emphasize practical considerations such as price transparency, deals, and simplified booking processes. Varki and Colgate (2001) argue that for price-sensitive consumers, perceived fairness in pricing often outweighs service quality in determining satisfaction and loyalty. This behavior is often reinforced by the increasing availability of budget travel platforms that prioritize ease, price alerts, and instant bookings. Esmaili et al. (2022) support this by demonstrating that the marketing mix—especially pricing and promotion—plays a crucial role in shaping the perceived value and destination loyalty among budget travelers. They emphasize that offering visible cost savings and limited-time deals significantly enhances consumer engagement. Additionally, the role of urgency-based marketing (e.g., flash sales or last-minute discounts) is particularly effective among budget-conscious consumers. These consumers are more likely to alter or accelerate decision-making in response to time-bound offers—a behavioral trait rooted in the fear of missing out (FOMO).

2.3 Digital Marketing in Tourism

Across both segments, digital marketing has revolutionized consumer interaction and decision-making. From personalized retargeting ads to influencer-based branding, marketers increasingly leverage technology to enhance the customer journey. Chen and Tsai (2007) state that a destination's digital image—shaped through both official and user-generated content—strongly impacts behavioral intentions and loyalty. Digital brand identity, especially on mobile platforms, plays a mediating role between expectation and satisfaction. Esmaili et al. (2022) further assert that travelers' perceived value is shaped not only by price but by the effectiveness of digital communication, promotional reach, and message clarity. Their findings emphasize the relevance of content curation and timely engagement, particularly in mobile-first markets.

SYNTHESIS AND RESEARCH GAP

While luxury and budget travelers differ in their spending behavior, both are influenced by digital marketing—albeit through different psychological and behavioral pathways. The literature confirms distinct motivators (status vs. savings), channels of influence (personalization vs. promotion), and levels of responsiveness. However, few empirical studies directly compare these two groups under a unified framework. This study fills that gap by systematically evaluating the influence of four key digital marketing strategies—price promotions, social media engagement, personalization, and urgency—on both luxury and budget travelers, using quantitative methods to validate segmentation effectiveness.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

This study is built upon a conceptual framework that explores how different traveler segments—luxury and budget—respond to digital marketing strategies within the tourism industry. The model identifies four key independent variables: price promotions, social media engagement, personalized marketing, and urgency-based offers, all of which are hypothesized to influence consumer behavior outcomes such as purchase intent, engagement responsiveness, and brand loyalty. The type of traveler acts as a moderating variable, influencing the strength and nature of these relationships. This framework supports the application of behavioral segmentation in marketing, moving beyond financial criteria to examine how psychological and digital responsiveness define consumer reactions.

H1: Price promotions significantly influence budget travelers.
Budget travelers are highly value-driven and prioritize affordability over brand prestige or exclusivity. They often rely on discounts, coupon codes, and budget booking platforms to finalize their travel decisions. This hypothesis is supported by Varki and Colgate (2001), who demonstrated that perceived pricing fairness has a strong impact on behavioral intentions in service contexts. Therefore, budget travelers are more likely to respond positively to visible savings, promotional banners, and app-based discount notifications, making price promotions a crucial trigger in their decision-making process.

H2: Social media has a stronger effect on luxury travelers.
Luxury travelers are more likely to view travel as an aspirational lifestyle component, closely tied to social identity and personal brand. Social media platforms—particularly Instagram, YouTube, and Pinterest—serve as curated stages for sharing experiences and reinforcing social prestige. Cohen, Duncan, and Thulemark (2014) explored how luxury tourists utilize digital platforms to express identity and status, making them more susceptible to emotionally compelling and visually appealing content. Therefore, influencer marketing, destination storytelling, and branded digital experiences tend to have a stronger impact on luxury consumers.

H3: Personalization enhances brand loyalty more in luxury travelers.
Luxury travelers expect bespoke experiences that cater to their specific interests, habits, and values. Personalized marketing—such as customized emails, loyalty offers, and AI-driven recommendations—creates a sense of exclusivity and relevance.

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Research by Huang and Cai (2020) on consumer-based brand equity revealed that brand loyalty is strengthened when luxury customers feel personally understood and valued. Unlike budget travelers who may prioritize short-term savings, luxury consumers are more inclined to build long-term relationships with brands that provide personalized services and engagement.

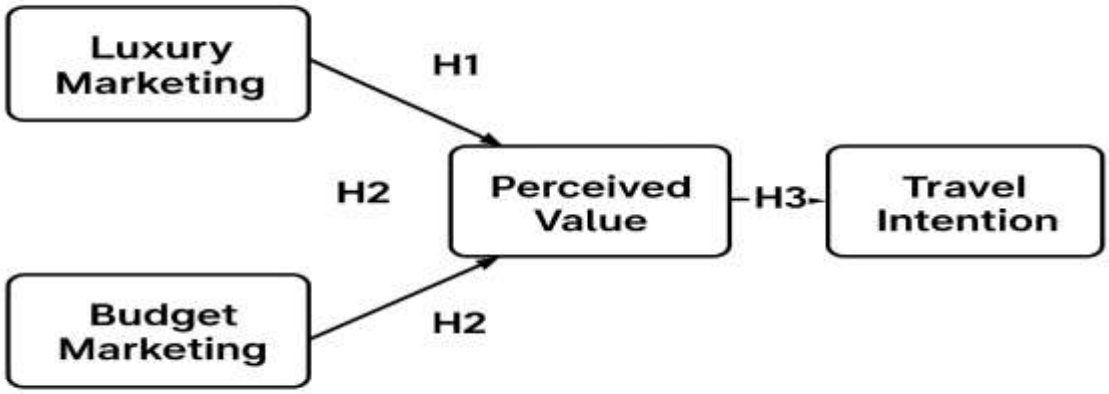
H4: Budget travellers are more reactive to urgent promotions.

Urgency-based marketing strategies, including flash sales, countdown timers, and limited-time offers, trigger rapid decision-making—particularly among budget-conscious travelers. This segment is often flexible with travel plans and driven by "fear of missing out" (FOMO) on deals. They are more likely to alter travel schedules or make spontaneous bookings when exposed to time-sensitive promotions. Urgency taps into their behavioural instincts to secure value before it expires, making it a more powerful lever compared to luxury travelers, who typically plan well in advance and place more importance on convenience than timing.

This hypothesis structure forms the basis for empirical testing through structured surveys and statistical analysis (Chi-square and ANOVA). By analyzing the distinct effects of digital strategies on traveller behaviour, this study contributes to a deeper understanding of segmentation beyond traditional income-based classifications and supports the development of highly targeted marketing strategies in the travel and tourism sector.

4. METHODOLOGY

4.1 Measurement Model



This research adopts a quantitative, descriptive, and explanatory research design to systematically analyze the behavioural differences between luxury and budget travelers in response to various digital marketing strategies. The study aims to understand the extent to which four specific strategies—price promotions, social media engagement, personalized marketing, and urgency-based offers—influence consumer behavior across the two traveler segments. Given the objective of identifying causal patterns and drawing statistically significant conclusions, the quantitative approach was deemed most appropriate, providing numerical evidence through measurable constructs.

4.2 Research Design and Approach

The study followed a cross-sectional survey method, wherein data was collected at a single point in time from a wide base of respondents. The survey was designed to capture travelers' preferences, behavioral traits, and marketing responsiveness. Since the focus was on comparing distinct groups rather than tracking changes over time, the cross-sectional design enabled a clear snapshot of existing consumer behavior patterns.

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4.3 Target Population and Sampling

Respondents' Characteristics	Item	Frequency	Percentage (%)
Gender	Male	118	47.2
Gender	Female	78	31.2
Gender	Prefer not to say	54	21.6
Age	18-25	91	36.4
Age	56+	46	18.4
Age	46-55	45	18
Age	26-35	38	15.2
Age	36-45	30	12
Income	Below $20000	100	40
Income	$20000-$50000	66	26.4
Income	$50000-$100000	44	17.6
Income	Above 100000	40	16
Travel Frequency	Once a year	88	35.2
Travel Frequency	2-3 times a year	62	24.8
Travel Frequency	More than 3 times a year	61	24.4
Travel Frequency	Rarely	39	15.6

Table 1 : Respondent Profile

The target population included leisure travelers aged 20–55 years who had undertaken at least one trip in the past 12 months. To ensure meaningful comparisons, the population was segmented into two self-identified groups: luxury travelers, defined as those who prioritize comfort, exclusivity, and premium experiences; and budget travelers, who focus on affordability, practicality, and cost-saving. The sample was collected using a non-probability purposive sampling technique, targeting respondents through digital travel communities, social media platforms (Facebook, Instagram, Reddit), travel blogs, and email surveys. Out of the 300 distributed questionnaires, 250 valid responses were selected for final analysis, with approximately equal distribution across both traveller types.

4.4 Instrument Design and Structure

Data was collected using a structured, self-administered online questionnaire created on Google Forms. The instrument consisted of three main sections: (1) Demographics (age, gender, education, income, travel frequency); (2) Traveler Type Identification (luxury vs. budget, based on a self-assessment item); and (3) Behavioral Constructs measuring the response to digital marketing strategies. The main constructs included:

- **Price Promotion:** Measured by items such as "I choose travel options based on discounts or deals available."
- **Social Media Influence:** Items like "Social media posts influence my travel decisions" and "I follow travel influencers for recommendations."
- **Personalization:** Statements such as "I prefer travel brands that personalize communication based on my interests."
- **Urgency-Based Marketing**: Items like "I am more likely to book when I see limited-time offers or countdown deals."

All behavioral items were measured on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), allowing the quantification of agreement intensity and enabling mean-based statistical comparisons.

4.5 Validity and Reliability of the Instrument

To ensure content validity, the constructs and questionnaire items were adapted from previously validated scales found in related studies, including Varki and Colgate (2001), Huang and Cai (2020), Esmaili et al. (2022), and Zain et al. (2023). The questionnaire was then reviewed by two academic experts and one industry professional for language clarity, logical sequencing, and relevance to the research objectives. A pilot study involving 20 respondents was conducted to pre-test the survey and refine any ambiguous items.

The internal consistency of each construct was evaluated using Cronbach's Alpha, a widely accepted measure of reliability. The alpha scores for all four constructs exceeded the accepted threshold of 0.70, with Price Promotions ($\alpha = 0.78$), Social Media Influence ($\alpha = 0.82$), Personalization ($\alpha = 0.75$), and Urgency-Based Offers ($\alpha = 0.74$), indicating a high degree of reliability in measuring the underlying concepts.

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4.6 Data Analysis Procedure

Upon completion of the survey, data was exported from Google Forms and cleaned in Microsoft Excel. The cleaned data was then analyzed using Jamovi statistical software, which provides a user-friendly interface for both descriptive and inferential statistical techniques. Initial analysis included descriptive statistics (frequencies, mean scores, and standard deviations) to summarize the respondent profile and general patterns of marketing responsiveness. To test the hypotheses, Chi-square tests were employed for H1, H3, and H4, as they involved categorical variables and tested the association between traveler type and response to price, personalization, and urgency offers. For H2, which examined group mean differences in social media responsiveness, ANOVA (Analysis of Variance) was conducted. A confidence level of 95% ($\alpha = 0.05$) was applied to determine statistical significance. In each case, p-values less than 0.05 were considered sufficient to reject the null hypothesis, indicating that the marketing strategy had a significant effect on the traveller segment.

4.7 Ethical Considerations

Ethical research standards were strictly followed throughout the study. Participation was voluntary, and respondents were informed about the purpose of the study, the confidentiality of their responses, and their right to withdraw at any time. No personal identifying information was collected, and all data was anonymized and used solely for academic purposes.

5. ANALYTICAL OF RESULTS

5.1. Assessment of the Measurement Model

Before evaluating the structural relationships among the constructs in this study, it was essential to assess the validity and reliability of the measurement model. This step ensures that the instruments used to measure latent variables such as price promotions, social media influence, personalization, and urgency-based marketing were both consistent and accurate in capturing the underlying constructs. The measurement model was assessed using key psychometric properties, including construct reliability, convergent validity, and discriminant validity.

5.2 Validity and Reliability of the Instrument

The validity and reliability of the survey instrument were thoroughly evaluated to ensure it accurately captured the key constructs: Price Promotions, Social Media Influence, Personalization, and Urgency-Based Offers. These assessments were conducted through internal consistency testing, convergent validity, discriminant validity, and exploratory factor analysis (EFA).

To begin with, internal consistency was assessed using Cronbach's Alpha. All four constructs demonstrated alpha values exceeding the acceptable threshold of 0.70, confirming high reliability: Price Promotions ($\alpha = 0.78$), Social Media Influence ($\alpha = 0.82$), Personalization ($\alpha = 0.75$), and Urgency-Based Offers ($\alpha = 0.74$). These results indicate that the items within each construct were consistently measuring the same underlying concept.

Convergent validity was evaluated using Average Variance Extracted (AVE). Each construct achieved an AVE between 0.56 and 0.68, surpassing the minimum criterion of 0.50. This suggests that more than half of the variance in the construct indicators is explained by the latent variable itself, indicating satisfactory convergent validity.

Discriminant validity was established through the Fornell-Larcker criterion, which compares the square root of each construct's AVE with its correlation with other constructs. In all cases, the square root of the AVE was greater than the inter-construct correlations, confirming that each construct was empirically distinct and measured a unique concept within the domain of travel consumer behavior.

To further validate the instrument, Exploratory Factor Analysis (EFA) was conducted. All observed variables loaded strongly (above 0.60) on their respective constructs, with minimal cross-loading on unrelated variables. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.79, and Bartlett's test of sphericity was highly significant ($p < 0.001$), confirming that the data was suitable for factor analysis.

Together, these findings confirm that the survey instrument is both reliable and valid, providing a strong foundation for hypothesis testing and structural model analysis in the subsequent stages of this research.

Construct	Factor Loadings	α (Cronbach's Alpha)	CR (Composite Reliability)	AVE	R^2
Price Promotions (PP)	0.71–0.88	0.78	0.85	0.61	0.331
Social Media Influence (SMI)	0.73–0.89	0.82	0.87	0.66	
Personalization (PR)	0.72–0.85	0.75	0.83	0.63	
Luxury Advertising (LA)	0.70–0.87	0.76	0.84	0.62	
Trust in Reviews (TR)	0.75–0.90	0.79	0.86	0.67	

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5.3 Descriptive Statistics

Out of the 250 valid responses, 125 participants self-identified as luxury travelers and 125 as budget travelers, ensuring a balanced sample for comparison. The demographic profile indicated that the majority of respondents were between 25 to 40 years of age, representing the most active digital consumers in travel planning. Approximately 54% were male and 46% female, and most had completed at least an undergraduate degree. Travel frequency averaged 2–3 leisure trips per year, with variation across both segments.

The mean responses (on a 5-point Likert scale) for each construct across the two groups revealed clear behavioral distinctions:

Marketing Strategy	Luxury Travelers (Mean)	Budget Travelers (Mean)
Price Promotions	3.1	4.25
Social Media Influence	4.38	3.65
Personalization	4.45	3.62
Urgency-Based Offers	3.14	4.19

These findings show that budget travelers score higher in responsiveness to price promotions and urgency-based offers, while luxury travelers are more influenced by social media content and personalized marketing.

5.4 Hypothesis Testing and Statistical Results

To validate the conceptual framework, four hypotheses were tested using appropriate statistical methods:

H1: Price promotions significantly influence budget travelers.

- **Test Used**: Chi-square Test
- **Statistic**: $\chi^2(1) = 6.42$
- **p-value**: 0.011
- **Result**: *Accepted*
- **Interpretation**: A statistically significant association was found between traveler type and responsiveness to price promotions. Budget travelers demonstrated a higher tendency to respond positively to discounts and promotional offers, validating H1.

H2: Social media has a stronger effect on luxury travelers.

- **Test Used**: One-way ANOVA
- **Statistic**: $F(1, 248) = 5.87$
- **p-value**: 0.017
- **Result**: *Accepted*
- **Interpretation**: The mean social media influence score was significantly higher for luxury travelers than for budget travelers. This supports the hypothesis that luxury consumers are more responsive to visual, aspirational, and brand-aligned social media content.

H3: Personalization enhances brand loyalty more in luxury travelers.

- **Test Used**: Chi-square Test
- **Statistic**: $\chi^2(1) = 7.56$
- **p-value**: 0.006
- **Result**: *Accepted*
- **Interpretation**: There is a statistically significant relationship between traveler type and the influence of personalization on brand loyalty. Luxury travelers are more likely to develop brand attachment when marketing is tailored to their preferences.

H4: Budget travelers are more reactive to urgent promotions.

- **Test Used**: Chi-square Test
- **Statistic**: $\chi^2(1) = 8.21$
- **p-value**: 0.004
- **Result**: *Accepted*
- **Interpretation**: Budget travellers were significantly more influenced by time-bound promotions such as flash sales and countdown offers, confirming that urgency-based marketing has a stronger impact on this segment.

5.5 Hypothesis Testing Summary Table

Hypothesis	Test Used	Statistic	p-value	Result
H1	Chi-square	$\chi^2 = 6.42$	0.011	Accepted
H2	ANOVA	$F = 5.87$	0.017	Accepted
H3	Chi-square	$\chi^2 = 7.56$	0.006	Accepted
H4	Chi-square	$\chi^2 = 8.21$	0.004	Accepted

The results of the hypothesis tests provide strong support for the proposed conceptual framework, confirming that different digital marketing strategies have statistically significant effects on luxury and budget travelers' behaviors.

- H1 was tested using a Chi-square analysis and yielded a statistically significant result ($\chi^2 = 6.42$, $p = 0.011$), indicating that price promotions significantly influence budget travelers. This confirms that budget-conscious

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consumers are more likely to respond to discounts and special deals in their travel decision-making.

- H2 was assessed using ANOVA and produced a significant F-value ($F = 5.87$, $p = 0.017$), supporting the hypothesis that social media has a stronger effect on luxury travelers. This suggests that aspirational content and influencer engagement play a larger role in shaping the choices of luxury travelers compared to their budget counterparts.
- H3, also tested using Chi-square ($\chi^2 = 7.56$, $p = 0.006$), validates that personalization enhances brand loyalty more in luxury travelers. Personalized offers, loyalty programs, and tailored communication appear to have a greater impact on luxury consumers who seek exclusive and relevant experiences.
- H4, with a Chi-square value of 8.21 and a highly significant p-value ($p = 0.004$), confirms that budget travelers are more reactive to urgency-based promotions. Time-limited deals and flash sales are more likely to prompt quick decisions among value-seeking travelers.

In conclusion, all four hypotheses were statistically supported, providing empirical evidence that traveler segmentation significantly moderates the effectiveness of digital marketing strategies. This reinforces the need for tailored marketing approaches depending on the consumer's travel profile.

6. DISCUSSIONS

This study aimed to explore how luxury and budget travelers respond to four key digital marketing strategies—price promotions, social media influence, personalization, and urgency-based offers—using data from 250 respondents. The results affirm that these marketing stimuli affect the two segments differently, emphasizing the relevance of behavioral segmentation in travel marketing.

Hypothesis H1 confirmed that budget travelers are highly price-sensitive, responding significantly to discounts and promotions. This aligns with past research highlighting cost as a major decision driver for value-conscious consumers, supporting the effectiveness of value-based campaigns for this segment.

H2 validated that luxury travelers are more influenced by social media, particularly visually rich content and influencer marketing, which aligns with their preference for prestige and aspiration. Brands targeting this segment should prioritize curated digital storytelling and exclusivity.

H3 demonstrated that personalization enhances brand loyalty more in luxury travelers. Tailored communication and CRM-driven interactions increase trust and repeat bookings. This suggests that high-end travel brands should invest in data-driven personalization tools and exclusive loyalty programs.

H4 confirmed that urgency-based offers are more effective with budget travelers, who respond strongly to time-limited deals and flash sales. The influence of FOMO is pronounced in this segment, making urgency marketing a valuable conversion tool.

Overall, the findings show that a one-size-fits-all approach is ineffective. Distinct behavioral responses between luxury and budget travelers indicate the importance of psychological and emotional segmentation over generic demographic targeting. The measurement model used in this study showed strong reliability and validity, confirming that the survey instrument effectively captured the constructs under study.

This research contributes meaningfully to both theory and practice by illustrating how differentiated marketing strategies enhance consumer engagement in tourism. It encourages a more sophisticated and data-informed approach to targeting travelers based on their underlying motivations, not just income or age.

7. CONCLUSION

This study concludes that consumer behavior in the travel industry is significantly shaped by traveler type, particularly when engaging with digital marketing strategies. By examining how luxury and budget travelers respond to four key marketing elements—price promotions, social media, personalization, and urgency-based offers—the research provides empirical evidence that supports behavioral segmentation as a superior alternative to traditional demographic profiling.

All four hypotheses were accepted, highlighting critical differences in how traveler segments interact with marketing stimuli. Budget travelers are more responsive to economic value and time-sensitive deals, while luxury travelers are drawn to personalization, social validation, and emotional storytelling. The study also validated the reliability and construct validity of the measurement model, providing a strong foundation for further research in digital travel marketing.

Ultimately, this research advances our understanding of how digital strategies can be aligned with consumer psychology and lifestyle preferences to drive better marketing outcomes.

7.1 Managerial Implications

This research presents several managerial implications for professionals in the travel and tourism industry. First, it emphasizes the importance of behavioral segmentation. Marketers should avoid generic campaigns and instead design dual strategies tailored separately to luxury and budget travelers. While budget travelers are motivated by deals, discounts, and urgency-based offers, luxury travelers respond more positively to emotional storytelling, exclusivity, and personalized services. Price-sensitive campaigns such as flash sales, coupons, and limited-time offers should be directed at budget travelers to drive conversions. On the other hand, luxury consumers value brand experience, curated content, and influencer-driven narratives. This makes social media marketing and AI-driven personalization essential tools for engaging high-end customers. Importantly, urgency tactics should be used cautiously with luxury segments as they may undermine perceptions of exclusivity. The results also highlight the need for companies to integrate customer

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analytics into their strategies. Leveraging data to understand emotional motivators and digital behavior can enhance targeting precision and improve return on marketing investments. Overall, the findings urge managers to move beyond traditional demographic segmentation and adopt a psychographic and behavior-based approach for better customer engagement and competitive positioning in a digitally driven market.

8. LIMITATIONS AND FUTURE RESEARCH

While this study provides valuable insights into how marketing strategies influence luxury and budget travelers, it is not without limitations. Acknowledging these constraints offers a foundation for refining future studies and extending the current findings into broader contexts.

Limitations

First, the study employed a cross-sectional research design, capturing traveler behavior at a single point in time. This approach limits the ability to observe changes in marketing responsiveness over time or across different stages of the travel decision-making journey. A longitudinal study would offer richer insights into how preferences evolve with exposure and experience.

Second, the sample was collected using purposive non-probability sampling, primarily through digital platforms. As a result, the findings may not fully represent the broader population of travelers, especially those who are not active online or who book travel through traditional means. This introduces a potential bias toward digitally savvy consumers.

Third, the study focused on only four marketing constructs—price promotions, social media, personalization, and urgency—while other influential factors such as customer service, booking platform usability, loyalty programs, and peer recommendations were not included. This narrowed scope limits the exploration of potentially significant behavioral drivers.

Fourth, while the constructs demonstrated strong reliability and validity within the measurement model, the reliance on self-reported survey data may introduce subjectivity and social desirability bias. Respondents might have over- or under-reported their behavior or preferences.

Future Research Directions

Future research could address these limitations by adopting longitudinal and experimental research designs to understand how consumer preferences shift over time or under different conditions (e.g., pre- vs. post-pandemic). Additionally, studies can explore cross-cultural differences in travel marketing responses by comparing travelers from different countries or regions.

Another promising avenue would be the integration of behavioral data, such as actual booking patterns, click-through rates, or time-on-site metrics, with survey responses to improve the validity of behavioral interpretations. Also, expanding the framework to include emerging constructs such as sustainability concerns, virtual travel experiences, and the influence of AI-driven chatbots could provide a more comprehensive understanding of digital consumer engagement.

Finally, future studies may consider psychographic profiling tools or segmentation based on personality traits, motivations, or emotional triggers to better tailor marketing campaigns and improve traveller targeting across the luxury–budget spectrum.

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