
Signaling Status: Social Influence Effects on Quiet and Conspicuous Luxury Hotel Preferences

Abstract

This study investigates how two dominant luxury consumption types—quiet and conspicuous luxury—interact with social influence cues—bandwagon and snob effects—to shape consumer decision-making in the context of luxury hotel selection. Grounded in Leibenstein’s social influence framework, the research employs a 2 (Luxury Type: Quiet vs. Conspicuous) × 2 (Social Influence: Bandwagon vs. Snob) between-subjects experimental design. Participants will evaluate simulated luxury hotel choices (Quiet vs. Conspicuous) with perceived status examined as a mediating variable. Data will be analyzed using multinomial logit models and moderated mediation techniques. Findings are expected to provide a nuanced understanding of how social signaling and matching cues influence status perceptions and consumer preferences, offering theoretical contributions to luxury consumption literature and practical insights for hospitality marketers.

Key Words *Social Influence, Luxury Hospitality, Consumer Behavior, Snob Effect, Bandwagon Effect*

Track *Market and Concept Innovations*

Focus of Paper *Empirical*

Type of submission *Poster*

Introduction

The luxury hospitality sector is undergoing significant transformation, fueled by shifting consumer preferences and strategic innovation. According to Lodging Econometrics (2024), the U.S. luxury hotel pipeline is projected to grow by 15%, reaching 19,500 chain rooms—a strong indicator of sustained expansion. A key example is the Four Seasons’ 2024 partnership with a major wellness brand to launch wellness-focused resorts, illustrating the growing demand for health-centric, experience-driven luxury (Lodging Econometrics, 2024).

This expansion reflects a broader redefinition of luxury, now shaped by two dominant paradigms: conspicuous luxury and quiet luxury. Conspicuous luxury aligns with Veblen’s (1899) theory of conspicuous consumption, where wealth is communicated through visible symbols such as branded experiences, grand architecture, and status-signaling amenities. Hotels like The Ritz-Carlton and St. Regis exemplify this model, offering overt prestige designed to attract attention and admiration (Heo & Hyun, 2015). In contrast, quiet luxury represents a more understated form of affluence. It emphasizes discretion, personalization, and minimalism, appealing to consumers who value subtle markers of quality—such as unbranded elegance and tailored service. Brands like Aman and Auberge Resorts reflect this model by avoiding overt displays and focusing on privacy and refined experiences (Shin & Jeong, 2022). While both paradigms deliver exclusivity and premium service,

they diverge in how luxury is expressed: conspicuous luxury relies on visibility and external validation, while quiet luxury is rooted in internal discernment and restrained sophistication (Uzgoren & Guney, 2012).

These luxury models intersect meaningfully with well-established social influence effects, particularly the bandwagon and snob effects described by Leibenstein (1950). The bandwagon effect refers to increased consumer adoption as a product becomes popular, driven by the desire to conform to social norms. In contrast, the snob effect reflects a preference for exclusivity—consumers avoid widely adopted products to distinguish themselves from the masses. Both effects are especially relevant in luxury hospitality. Hotels associated with influencers or high visibility benefit from the bandwagon effect, attracting consumers seeking affiliation and trend alignment (Kiatkawsin & Han, 2019). Meanwhile, the snob effect drives interest in niche or boutique properties, where exclusivity enhances perceived prestige (Baždar Gašljević et al., 2023). Price also functions as a status signal; high prices reinforce the perception of luxury through scarcity and distinction, while lower prices or wider access can erode exclusivity (Uzgoren & Guney, 2012).

Building on this foundation, the current study proposes that social influence cues interact with luxury type to shape consumer behavior. Specifically, it is hypothesized that bandwagon cues—highlighting popularity and social conformity—will increase the appeal of conspicuous luxury, where visible status is valued. Conversely, snob cues—emphasizing rarity and exclusivity—are expected to strengthen the appeal of quiet luxury, which prioritizes subtlety and discernment (Shin & Jeong, 2022; Heo & Hyun, 2015). However, there is a lack of empirical research examining how the alignment between social influence cues (bandwagon vs. snob) and luxury consumption types (conspicuous vs. quiet) shapes consumer preferences in luxury hospitality.

Research Purpose

This study examines how the type of luxury consumption (quiet vs. conspicuous) interacts with social influence cues (bandwagon vs. snob) to shape preferences in luxury hotel choice. The proposed model (Figure 1) is guided by three research objectives:

1. To examine the effect of luxury consumption type on consumers' preference for quiet or conspicuous luxury hotels (H1).
2. To explore whether perceived status mediates the relationship between social influence and hotel choice (H2).
3. To assess whether social influence type (bandwagon vs. snob) moderates the relationships among social influence, perceived status, and hotel choice (H3).

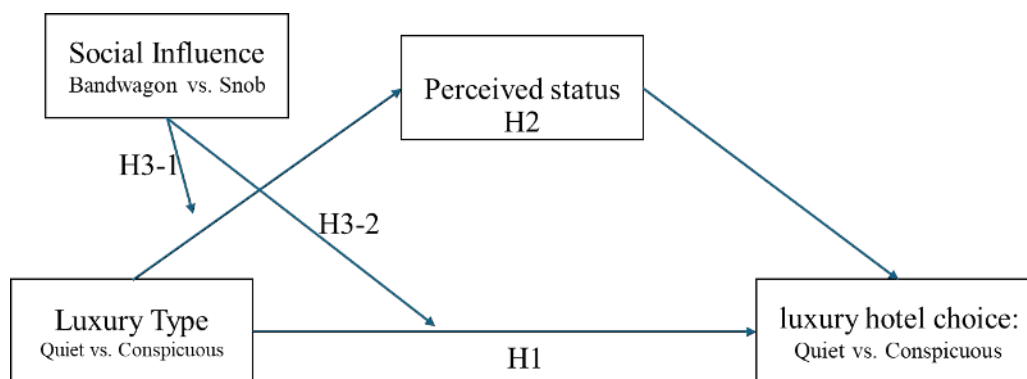


Figure 1. Proposed Model

Methodology

Research Design

A 2 (Luxury Type: Quiet vs. Conspicuous) × 2 (Social Influence: Bandwagon vs. Snob) between-subjects experimental design will be employed. Participants will be randomly assigned to one of four conditions, each presenting a simulated luxury hotel booking scenario. The scenarios manipulate luxury type and social

influence cues. Quiet luxury hotels will be described using minimalist language, emphasizing privacy and unbranded elegance. Conspicuous luxury hotels will highlight opulence, branded prestige, and social visibility. Bandwagon cues will include references to popularity and celebrity endorsement (e.g., “frequented by influencers”), while snob cues will highlight exclusivity (e.g., “hidden retreat known only to a select few”). Participants will then indicate their preferred hotel, serving as the main dependent variable. Additional measures will assess perceived status, capturing the extent to which their hotel choice enhances their social identity.

Sampling and Data Collection

Data will be collected through an online platform such as Prolific, targeting adults with experience with luxury brands. A sample size of approximately 400 participants is planned to ensure adequate power for interaction and mediation analyses. Participants will be randomly assigned to conditions.

Data Analysis

The data will be analyzed using multinomial logit models or choice-based conjoint analysis to examine how luxury type influences hotel choice. Mediation analysis will be conducted using the PROCESS macro (Model 4), assessing whether perceived status mediates the effect of social influence on hotel preference. Finally, moderated mediation analysis will be conducted using PROCESS (Model 8) to examine whether social influence type moderates the mediation pathway. This analytical framework enables a robust evaluation of both direct and conditional effects, integrating behavioral outcomes with underlying psychological mechanisms.

Expected Findings and Implications

The study is expected to present if bandwagon cues increase the appeal of conspicuous luxury, while snob cues enhance preference for quiet luxury. Furthermore, it anticipates that perceived status mediates the effect of bandwagon cues on preferences for conspicuous luxury. These findings will contribute theoretically by extending Leibenstein’s social influence framework to luxury hospitality and empirically validating the alignment between social cues and luxury types. Practically, the results will offer actionable insights for hospitality marketers seeking to optimize brand messaging and positioning. Brands emphasizing conspicuous luxury may benefit from marketing campaigns centered on social proof, trend adoption, and influencer endorsements. Overall, the study contributes to a deeper understanding of how luxury consumers interpret and respond to social signals, providing a nuanced framework for aligning brand strategy with evolving consumer expectations.

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