FACTORS INFLUENCING CONSUMER BEHAVIOUR FOR BUYING LUXURY CARS

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ABSTRACT
The automobile industry today is the most lucrative industry. Due to the increase in disposable income in both rural and urban sector and easy finance being provided by all the financial institutes, the passenger car sales have increased at the rate of 25% per annum. “The only thing permanent is change”. The world of today is changing fast and India is no exemption to it. Motor car is one of the commonly used conveyances by the upper, upper middle and middle class people. Especially after the opening up of the economy, the pace of change that India and its people are experiencing in their socio – culture is mind bugging. With the opening up of the Indian economy, marketers today are facing a new challenges and opportunities. Now a day’s motor car is not only bought for social status, but becomes a necessity one. As the population is in the increasing trend, the government and private sector are not able to provide adequate conveyance for all the passengers, especially the office going and the business people.

Further competition is heating up in the sector with a host of new players coming in and others like Porches, Bentley, Audi, and BMW all set to venture in Indian markets. Cars though considered as luxury once, now occupies a part of day-to-day life and has become a necessity. People who were not ready to spend their money on luxuries have now changed their attitude that “yesterday’s luxuries are today’s necessities”. To be a successful marketer it is absolutely essential to read the minds and perceptions of the prospective buyers of luxury cars.

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1. INTRODUCTION
In economics, a luxury good is a good for which demand increases more than proportionally as income rises, and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are often synonymous with superior goods and Veblen goods. Increases more than proportionally as income rises, and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are often synonymous with superior goods and Veblen goods.

2. REVIEW OF LITERATURE
Review of literature is essential for every researcher to carry on investigation successfully. All efforts made together relevant study. But there is no sufficient number of studies on luxury products. Anyhow to gain the knowledge relating to Methodology, Hypothesis, Problem etc some other relevant studies have been reviewed and this details has been summarized below

Preeti tak and Ashish pareek [1] in their article on “Consumer Attitude towards Luxury Brands” An empirical study studied the buying pattern consumers has witnessed dramatic change over the past decade. Higher income has enhanced consumer buying power. As a result consumers are readily adopting global luxury brands at a much faster pace. Indian consumers are attracted towards acquiring luxury brands and purchasing these brands has become a prestige symbol. Luxury brands are helpful in communicating one’s uniqueness, fashion style and individuality in social circles. This study analyzes the impact of dimensions of consumers’ need for uniqueness and fashion consciousness on the attitude towards luxury brands. A structured questionnaire was used to collect the data. To test the hypotheses, correlation and regression analyses were employed. The findings suggest that the dimensions of consumer need for uniqueness and fashion consciousness positively influence their attitude towards luxury brands.

Shweta kastiya [2] in her article on The Impact of consumer personality traits on luxury brand market: An empirical study on closet consumers studied the market for luxury brands is expanding rapidly in India, includes thanks to economic deregulation, rapid GDP growth. Increasing consumption, and a growing young and upper middle class working population, who can be classified as closet consumers. Closet consumers are those who have not been born wealthy and are just experimenting with luxury as yet with a middle-class and conservative mindset, the aim of this study was to explore the impact of consumer personality traits on preference towards luxury brand market segment. Using Exploratory factor analysis (EFA), 16 selected luxury consumer personality traits have been reduced to five major factors, namely modernity, eccentricity, sincerity, competence and excitement the findings show that some consumer personality traits are significantly related to preferences towards particular luxury brand market segments.

Henrik uggla [3] in her article leveraging luxury brands: Prevailing trends and research challenges studied this conceptual paper revolves around trends and research challenges in luxury brands management for the future. Four broad research trends are identified and discussed. Second is the issue of make and buy brand portfolios revolving around how brand can be acquired from the market and internalized with the portfolio and how brand managers think in relation to this. Thirdly the issue of luxury partner branding is discussed in relation to modifier and modified brand and their relation towards and between each other. Finally the issue of old brand extension is developed and discussed in depth.
3. STATEMENT OF THE PROBLEM
In India after independence, industrialization has paved the way for people to have luxury items such as LCD’s, Smart phones, home appliances, and Luxury cars etc., In Chennai of the increasing development is the growth of the industries. The car market has recently undergone a phenomenal change with a entry of new car model as a result of collaboration with different foreign car market. Though there are many car manufacturing companies only a few are able to sand in the market and earn profit and mostly the companies are not able to face the competition to remain in the market. The reason is due to the entry of new International cars which contribute to the luxury segment. So, the researcher has developed an interest to study the reason behind in preferring some brands and also a very few research studies in Luxury car segment are available. My sincere aspirations to know the back ground of the Luxury car industry in India and also which brand is dominated by the society in Chennai is studied.

4. OBJECTIVES OF THE STUDY
The purpose of this research is to study the behaviour pattern of consumers towards car market, their importance in the aspects of life style, perception of product attributes and level of satisfaction. Hence, the study is aimed at the following objectives,

1. To study the profile of the car market exclusively luxury cars in India and foreign brands.
2. To evaluate the classification of Indian luxury consumers.
3. To identify and analyze the factors influencing to buy luxury cars.

5. SCOPE OF THE STUDY
The main contribution of the present paper is to develop an integrated conceptual framework of consumers’ buying pattern of cars in luxury value. This study suggests the origin and growth of luxury cars in Indian market. The new industries entry could have design special tactics of marketing strategies to improve the purchase value for different segments of consumers that span the globe. By doing this research we can identify the change in demand patterns of the customer. It would help us understanding the changes in the requirements and Preferences. It gives an insight to the Study of perception act as a ladder to develop new product. We can lucidly judge the utility aspect of luxury cars in consumers’ point of view. The role of advertisement how far it is connected with the purchases decision of the consumers can be analyse and an optimistic factors can be aggrandized. This study will helpful for the coming researchers to differentiate the rural and urban sales of Empire Export& Import Industry. It yields valuable info to the Perception of researchers and marketers of luxury goods who may wish to measure the dimensions of individual luxury. This study will help the present Marketing Managers to better reposition their branding and advertising strategy to capture the correct target market to boost the sales in times where economy are at a challenge.

Successful marketing requires that companies fully connect with their customers. Adopting a holistic marketing orientation means understanding consumers-gaining a 360-degree view of both their daily lives and the changes that occur during their lifetimes. Gaining a thorough, in depth of consumer understanding helps to ensure that the right products are marketed to the right consumers in the right way. The new industries entry could have design special tactics of marketing strategies to improve the purchase value for different segments of women buyers too so that can span the globe.
6. CLASSIFICATION OF THE INDIAN LUXURY CONSUMER

SRI Consulting Business Intelligence segments consumers into 3 different categories according to what luxury means to them:

**Functional** – These consumers buy the luxury goods for their superior functionality and high quality. The consumers in this segment are the largest of the three groups and they are older and wealthier. They are willing to buy the things which will be long lasting and will have enduring value. The decisions that they make are logical rather than emotional. They are product quality and information sensitive when considering purchase of luxury items.

**Rewarding** – The consumers in this segment are younger than the first group but are older than the third one. For them luxury goods are a symbol of status, to show to the world they have arrived. They are motivated by their desire to succeed and they demonstrate by the goods that they buy. So the decision of buying a luxury item is more of emotional rather than logical. They go for the best goods available to show that they are the best and they like the best. They buy luxury for the way it makes them seem in front of others so rationality in the decision making is not much present. They would go more for the goods which showcase exclusivity.

**Indulgence** – This is the youngest of the group and they are the smallest in number. There are slightly more males in this segment compared to the other segments. They buy goods because they want to indulge lavishly. They are ready to pay premium for the fact that the luxury item will give them a sense of individuality and are not concerned with the problem of quality or enduring value. They buy the goods because of how it makes them feel and thus the decision to buy will be an emotional one and not a rational one. So they respond well to the brands which showcase unique and emotional qualities. The above segmentation was regarding the reasons for the buying of luxury cars.

7. CONSUMER BEHAVIOUR OF LUXURY AUTOMOBILES’

Most current owners of luxury cars tend to have purchased a car previously; the customer has potentially developed an attitude toward it. Here, an attitude becomes an evaluating judgement (desire or not desire) based on prior or present experience such as previous satisfaction from dealers or products and services (after sales and warranty), driving experience, and socio-economic status of customers. It is also possible that an attitude can be developed based on prior information without experience, as when consumers develop preferences or biases for or against brands based on the brands’ images in the marketplace. This also depends largely on purchasing power of individual Customers. Customers may have a favourable attitude towards some manufacturers’ luxury cars, but may lack the ability due to insufficient purchasing power or willingness to take buying action. On the other hand, luxury or lower luxury (lower-priced) manufacturers’ cars may be neglected by customers who have high purchasing power (or over-purchasing power in this sense). For example, most buyers (with high, medium, or low income) tend to have a preferable attitude towards some manufacturers’ luxury cars such as Aston Martin, Bentley, Ferrari, Porsche, and Rolls-Royce, though the majority of them might not even have had a test drive before. The difference is that customers with low to medium income may still also anticipate the quality of smaller sized cars of manufacturers from the lower segments such as Fiat, Ford, Peugeot, and Vauxhall, as these cars are affordable to them. In other words, cars from lower segments have the meaning of ‘reality’ to them. In contrast, the better-off buyers will only appreciate expensive cars from luxury marques and may disregard inexpensive cars from any marques (even from a luxury one e.g., the least expensive Audi A3 or BMW 3 Series Compact) as their choices.

To further specify the definition of customer attitude towards luxury cars, a set of attitude variables which potential buyers of luxury cars might hold was developed in discussion with luxury car dealers (Audi, Jaguar, Mercedes, Lexus, and Volvo) at the London Motor Show ’97.
at Earl’s Court Exhibition. The following variables were identified: (1) reliability (2) quality (3) durability (4) safety (5) security (6) performance (7) efficiency (8) technology (9) handling (10) value (11) style (12) comfort (13) prestige (14) status, and (15) visual impact. Therefore, behaviour moves from personal buyer to different buyers in a given society.

8. FACTORS INFLUENCING CONSUMER PREFERENCE TO BUY LUXURY CARS

Change in attitude of the customer accounts for the sudden acceleration in the Luxury car Market in India, as the emphasis has been shifted from price consideration and affordability to design, quality and pleasure. The Indians who believed in traditional savings now follow an extravagant approach.

Stepping down to the third possible reason, exposure and passion for speed, power and elegance run on to take their seats. With more and more Car rallies, exhibition, televisualing of Formula 1 and international motor shows happening in the country, these luxurious coupés have created an urge in drivers to experience comfort and control at the very same time. Also, lower interest rates and good conditioned roads are some of the steps taken by the Indian government which fuelled the demand for ultra-luxury cars in Indian market. Now, penetrating into the future, we can adamantly say that, with the real GDP growth of India (8.8% in 2016) being outstanding, there are definite prospects of increasing count of Luxury car buyers.

Luxury brands have often been associated with the core competences of creativity, exclusivity, craftsmanship, precision, high quality, innovation and premium pricing. These product attributes give the consumers the satisfaction of not only owning expensive items but the extra-added psychological benefits like esteem, prestige and a sense of a high status that reminds them and others that they belong to an exclusive group of only a select few, who can afford these pricey items.

9. CONCLUSION

Consumer Buying Behaviour is the decision processes and acts of people involved in buying and using products. Need to understand is why consumers make the purchases that they make, what factors influence consumer purchases, the changing factors in our society. There are various number of factors that has been analysed in the above study stating that Age, Education level of respondents, Occupation and Income level of the people influences the purchase of the Luxurious car. Intern it also deals with other influencing factors such as Sources of information, Level of Awareness of brands of cars as well as Special features of the car etc Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. A Branded car company needs to analyze buying behaviour for: 1. Buyer’s reactions to a firms marketing strategy has a great impact on the firm’s success. 2. The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy. 3. Marketers can better predict how consumers will respond to marketing strategies. Though extensive research has been applied for the study as the consumer preference or buying behaviour may be changed over time. This study further enhances the researchers to make an elaborate study on the particular brand of Luxury cars and how far it has got impact on the consumers.
REFERENCES

[1] Preeti tak and Ashish pareek in their article on Consumer Attitude towards Luxury Brands, An empirical study.
[3] Predicting consumers’ purchase intention towards luxury fashion brands by applying several personality traits.