

A study on impact of buying motives with special reference to luxury cars segment in India

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Abstract- The Indian automobile sector has emerged as one of the significantly developing and growing sectors in the last 15years. The automobile industry of India has witnessed a drastically growth in all sections, especially the Luxury car segment. Liberalizing in 1991, brought revolutionary changes in the automobile industry and provided well deserved and timely growth impetus to the respective industry. The study provides a deep comprehension of how interpersonal influence, brand image, brand consciousness and different demographic components are related to Indian young consumers' luxury brand purchase decision. Young Indian consumers of different gender (male and female) and age groups (18 -27 and 28-35) have been considered as samples for this study. Through this review it has been observed that which single factor among brand image and, brand consciousness is given maximum priority by Indian young consumers while making their selecting a brand or making a luxury brand purchase decision. Henceforth, the study mainly focuses on buying motives of customers with special reference to brand consciousness. The study found that, the majority of the consumers in India were given importance for brand image and brand conscious buyers.

Index Terms- buying motives, Brand Image, Brand Conscious, liberalizing and automobile Industry.

1. INTRODUCTION

The current luxury-purchasing power boom over there, signifies the growth of luxury fever as well as luxury consumption among the consumers of different ages. But the consumption pattern may vary from one socioeconomic group to other. It may also vary person to person according to their needs and desires (Frank, 1999). The exploration of underlying relation between Indian demographics, psychological mind set and luxury consumption will be signified in this research paper. The target

respondent age group will consist of young consumers from 18 to 35. Though different luxury product categories are now traded in India and expected flourish tremendously in future, designer apparel and footwear, luxury accessories, jewellery, and watches are mostly consumed by Indian consumers (Euromonitor, 2015).

The purpose of this research is to analyze how interpersonal influence, brand image, brand consciousness are related to demographic components (age and gender) and luxury brand consumption. Basically retailers form their strategies based on consumers' shopping behavior. There are few researches that have showed an extensive analysis on Indian consumers' luxury brand buying behavior (Shukla, 2011). But most of the earlier researches relating to Indian consumers' luxury brand purchasing behavior are mainly based either on investigating the influence of hedonic, materialism and uniqueness factors or the impact of demographic contents on consumers' luxury consumption. In those studies the altogether analysis of interpersonal influence, brand consciousness, brand image and demographic components was not done. Therefore, the present review gives the conceptual insight on impact of buying motives with special reference to Luxury cars in India.

2. LUXURY CARS AND SEGMENTS

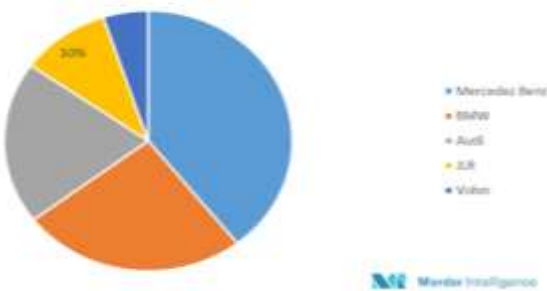
2.1 theoretical concept of Luxury: The liberalization policies followed by the Indian government had been inviting foreign players to participate in the car market in India. It is expected that by 2030, the Indian car market will be the third largest car market across the globe. The main encouraging factors for the success story of the car market in India are the

increase in the opportunity for new investments, the rise in the GDP rate, the growing per capita income, massive population and high ownership capacity. Another independent study conducted by CLSA Asia-Pacific Markets states that the count of millionaires in India are estimated to double and may cross the figures of 403,000 by 2015. Which is a healthy indicator of increase in the demands of Luxury automakers such as Mercedes, BMW and Audi, who are shifting away from CBU operations to CKD assemblies to keep their products affordable. CKD operations are levied 10% import duty, whereas completely assembled units are charged 75% customs. Audi and Mercedes Benz will assemble their whole luxury SUV range in their local plants in 2013.

2.2 Luxury Cars Market in India: The India luxury car market is expected to register a CAGR of ~24% till 2023. Mercedes-Benz India and BMW Group India recorded their highest-ever annual sales in 2017 at 15,330 units and 9,800 units respectively. India has the world's 12th largest High Net worth Individuals (HNI) population and has a huge potential for luxury cars.

With expansion in the education & realty sectors & increasing wealth of IT professionals, more consumers are aspiring to own luxury cars. Currently, the affluent class of the country is driving the demand of the luxury cars. The luxury SUV segment is growing at ~50%, whereas the luxury sedans are increasing 25 - 30%

Top Players Market Share by Revenue (%), India, 2017



Source: Statista/Mordor Intelligence

Though India's luxury car market is much smaller than other countries and even other emerging markets, what makes the Indian market a unique case is the fact that the country is one of the few in the

world to boast of having assembly facilities of every luxury car manufacturer.

Some major factors driving the growth of the luxury cars are as follows –

- High rate of depreciation value of the luxury cars
- Fast growing base of young population
- Growing disposable income of the consumers, along with rapid urbanization
- Growing internet penetration in non-metros

3. Literature Review

3.1.Brand Image

The early history of India reveals that luxury products were always consumed by the upper class people of this country (Voight, 2007). Advertising of luxury brands through physical and online media, celebrity endorsement enabled luxury brand retailers to develop their brand image in India (Atwal and Jain, 2012). Successful brand image includes an interactive relation between brand and consumers, which influence consumers' purchase consumption (Jara and Cliquet, 2012).

3.2 Brand Consciousness and Luxury Brand Purchase Decision

Brand behaviour of Indian consumers have been analysed by few researches. In a ranking of world's topmost brand aware countries India held the third position (Mukherjee et al., 2012). The purchase consumption of Indian young generation is influenced by superior product quality, stylish design and brand awareness. Kesharwani and Khanna (2012) found that both male and female shoppers have more or less similar towards luxury brand consciousness.

4. RESULTS & DISCUSSIONS

- target market is 18-27 age groups, then retailers should adopt same strategies, because this consumer group emphasizes interpersonal influence or reviews, information, social conformity more than 28-35 aged consumers or people having other income levels.
- Retailers will also need to be concerned about the perception of its consumers. They will have to ensure customer engaging in the improved customer service as well as after sales support,

because these factors are regarded influential factors in Indian consumers' luxury brand purchase decision.

- Brands' identity should be presented in such a way so that consumers perceive them as exclusive brand. Customers' reflection will be also important while settling brand identity and reinforcing brand image, because Indian young consumers want luxury brand to create a unique image of them before their friends.
- This review will provide recommendations to luxury brand retailers regarding how and which influential norms of interpersonal influence, brand image and brand consciousness Indian young consumers of different gender, age and income levels consider while purchasing from a luxury brand.

5. CONCLUSION

The study mainly focuses on buying motives of customers with special reference to brand consciousness. It has been observed that which single factor among brand image, brand consciousness is given maximum priority by Indian young consumers while making their selecting a brand or making a luxury brand purchase decision. The study found that, the majority of the consumers in India were given importance for brand image and brand conscious buyers. According to this review it has been observed that the buying motives of the Indian consumers are likely prioritizing the brand conscious while luxury car purchases considering the age group between 18-35 years. They might also observe how Indian young consumers while purchasing from a luxury brand prioritize price, product features and quality.

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