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## FACTORS INFLUENCING PURCHASE DECISION AND CONSUMER BEHAVIOR IN LUXURY CARS

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### Abstract

**Research Objectives:** A theoretical model was used that forms the basis for the empirical research that was conducted. The following research objectives were met through the literature review – analyzing the buying behavior based on buying behavior theory and purchase decision model, identify the main factor that is causing changes in buying behavior of the Indian middle class, highlight key influences that affect purchase decision of Indian middle class, find out what changes in the purchase decision are responsible for migration of the Indian middle class from one manufacturer to another. **Research Methodology:** This section discusses the methodological considerations, explaining the research method and philosophy, the approach and design, and data collection method chosen to conduct the study. The research onion framework from Saunders, Lewis and Thornhill (2012, p.128) is used for the study. The layers are explained giving information of research philosophy, approach and design. Lastly ethics, personal bias and limitations have been discussed. **Findings and Conclusion:** First the demographic aspects of the sample such as salary, age group, gender, etc. have been defined to give the reader clearer understandings of the empirical findings. This study revealed that price, style, social parameters, fuel economy, performance, safety, space and brand are the most critical predictors of purchase intention of luxury cars. These results would help businesses formulate better marketing strategies to position their luxury car brand and communicate with targeted consumers.

**Keywords:** consumer behavior, automobile sector, purchase decision, luxury car segment, purchasing behavior in automobile industry

### Introduction

In terms of PPP, the Indian economy is the fifth largest by GDP and the third-largest economy (Purchasing Power Parity). The Indian economy is projected to have \$13.716 billion by 2035 only after the United States and China according to Goldman Sachs. It has also been informed that by 2032, the GDP of India will be more than Japan's. Among the BRICs nations, India will be the only population that will keep expanding in the next 50 years. India can have an income of US\$ 35 times its current level in 2050. It is estimated that up to 60% of the size of the US economy will be increased by the Indian economy. India is the world's 16th biggest exporter and the 9th largest importer. The foreign exchange reserve of India stands at 579.346 billion dollars. In terms of the road network, India ranks second. Passenger cars and two-wheelers are the main shareholders in India's automotive sector during the fiscal year 2020, with over 3.4 million units growing and 21 million units respectively. Asia became the fourth most significant market in car production in 2017. Domestic vehicles sold over 21.5 million in 2020. Chennai, the capital of Tamil Nadu, also known as "The Detroit of Asia," is 35-40% of the overall car industry of India. In 2018-19, India produced 4.06 million vehicles, and 32 million vehicles are currently on the streets of India. With a total share of 80 per cent, the 2-wheeler segment dominates the market. That being said, in 2019-20, the sector faced difficulties in sustaining quarterly and annual revenue and profitability figures. In 2019, domestic sales decreased 35.9%, due to lower market confidence, sluggish economic growth and mess in non-bank finance firms, for market leader Maruti Suzuki with 94,728 per unit being sold (NBFCs).

The figures for March 2020 show the impact of COVID-19 lockdowns. In general, the last quarter of a year is always the peak time for industry clearance. Maruti India reported a 47.4% decrease from 145,000 units in March 2019 to 76,240 units in March 2020 in total domestic passenger car sales. Export sales have decreased to nearly 55%, from 10,463 units a year earlier, to 4,712 units. The

company's gross revenue of 1,563 million units results in a 16 percent drop in revenues overall, down from 1,862 million in the previous fiscal year. It is easier to split it into 3 phases to obtain a deeper insight into such a revolution in the Indian economy:

**Phase 1-** Pre-Colonial Indian Economy: India's economic past during the Indus Valley Civilization can be traced down to as early as 1700 AD. The recovery coins have shown that India was closely linked to the rest of the globe and responsible for 33% of global GDP. (Maddison, 2003)

**Phase 2-** Colonial Economy: The East India Company's arrival marked the second step of the Indian economy. Their arrival supported the British in conquering India. The Indian economy endured extreme lengths during this period when the British Empire bought Indian made raw materials at cheaper prices and exported goods at extraordinarily high prices. Consequently, India's share of world sales decreased in this period from 22.3% in 1700 AD to just 3.8% in 1952. (Indian Economy, no date)

**Phase-3-** The final economy of India is in its present period, and it was on August 15, 1947, that India became independent from British control. The economy of India is now at the final stage of Indian rule. The government then undertook significant steps to heal & boost the economy, creating and applying short-term strategies, known as the 5-year plan. In 1952, it implemented the first five-year strategy. The structure was based on the Harrod-Domas model. Five-year Plan India achieved its goal of the growth in sixth and sixth years at 5.66% and seventh years at 6.01%. Since then, the economy has come through a long journey. In 2017, the 13th Five Year Strategy launched and continues up to 2022. We were incorporated into the 2006-2016 Automotive Action Plan by the "Indian Ministry of Heavy Industries and Public Enterprises". The vision of the strategy was to "appear as the world's leading force in the manufacture and design and manufacturing of cars and auto parts with a production volume of 145 billion USD, contributing more than 10 percent of GDP, and thus guaranteeing that employment will rise to 25 million by 2016. The patterns and future of the Indian Middle Class: "A country's middle-class income group is generally a direct representation of the economic situation, growth, and general standard of living of a country. The concept of middle-class income groups in a country is different. The comparison point is the median for the dividing line where there is an equal number of people on either side of the line as per Lester Thurow of the MIT Sloan School of Management". He defined the middle-class income segment as 75 to 125 percent of the middle class (The Economist, 2009). In economic terms, the middle class is defined as a household with a monthly income of \$334 (Rs. 20,000) to \$1,667. (Rs.1,00,000). At present, the total number of households belonging to this criterion exceeds 160 million, a substantial increase from 25 million households in 1996. It is predicted that these figures will continue to rise and at a faster pace. In 2015, this figure was projected to rise to 267 million by 2015 (Varma, 2013). India's expected population was 1.3 billion in 2015. The Indian middle class will then constitute approximately 20 percent of the population of India by 2015(World Population Statistics, 2013). A study on the expected growth of the Indian economy has been released by McKinsey and Company. This report predicts that in the next two decades, the income levels will triple. India is also to rise from its current twelfth position to become the fifth-largest consumer market. By 2025, the report estimates more than 291 million Indians will be hit by hunger and better quality of life. Ablett et al. (2007, p. 13).

### **Overview of the Indian Automobile Market:**

India became in 2019, overtaking Germany, the 4th-largest auto market in passenger and commercial vehicle segments with around 3.99 million cars. The two-wheeler segment is dominating the industry in terms of production because of an increasing middle-class community and a younger demographic. In addition, businesses' growing involvement in exploring rural markets tends to contribute to this realm. India is a strong car exporter and expects that export development can continue in the immediate future. India is expected to become a world leader in two-wheeler and four-wheeler markets by 2020.

### **Market Size:**

Domestic demand grew at a CAGR of 2.36% the year 2016–20, with the country generating 26.36 million vehicles in 2020. CAGR has increased 1,29 percent total domestic sales from FY16 to FY20, selling 21,55 million vehicles in FY20. In India, the two-wheeler, and commercial vehicles domestic automotive industry. Small and medium-sized cars are used for the marketing of passenger vehicles. 80 percent of FY20 market share was expressed respectively by 2-wheels and railcars of 12.9 percent and more than 20.1 million. Total car exports increased by 6.94 percent in FY16-FY20, hitting 4.77 million in FY20 and reaching 73.9% of the transported vehicles were two-wheelers, led by 14.2%, 10.5% and 1.3% of the commercial vehicles by passenger vehicles. In India, EV sales rose 20 percent, except electric rickshaws, to 1,56 twin-wheels driven units in FY20. From April to September 2019, premium sales in India increased to 13.982 units by seven in terms of domestic sales. In the first six months of 2019, luxury vehicles were shipped from 15,000 to 17,000.

### **Investments:**

In recent months, many automakers in many segments of the industry have started to invest heavily to satisfy growing demand. The FDI sector created US\$24.5 billion foreign direct Investments from April 2000 to June 2020, as stated by the Department of Industry Promotion and International Trade. Following is among India's most recent proposed automotive investment and developments:

- Despite anti-China feelings, MG declared its wish to spend Rs. 1,000cr in October 2020 to introduce newer models and extend operations.
- Ultraviolet Automotive was awarded in October 2020 by GoFrugal Technologies (a software company headquartered in India) a major investment in Series B in India.
- In India, Toyota reported support of approximately Rs 2,000 cr in technology and components for domestic consumers and exports.
- Mahindra & Mahindra signed a Memorandum of agreement with Israel-based REE Automotive at the start of September 2020 to build commercial hybrid vehicles.
- The new Volkswagen and Skoda Company will be named Skoda Auto Volkswagen India Private Limited, and Volkswagen has also announced the coalition of all its three entities in India.
- TVS Motor Corporation ended up purchasing the legendary UK sports motorcycle brand, Norton, for around Rs 153 cr in April 2020, allowing its entrance into the superbike market's high end (above 850cc) category.
- Jaguar Land Rover revealed its Range Rover Velar in May 2019, making JLR cars even more economical.
- Lithium Urban Technologies focused on the construction of charging infrastructures in the area with Fourth Partner Energy, for a renewable energy solution provider, in March 2020.
- Force Motors plans to spend around Rs 600 cr in December 2019 to build new vehicles within the next 2 years.
- The high-end British car firm Morris Garages (MG) revealed in December 2019 planning to invest roughly Rs 3,000cr in India.
- Audi India is expected to introduce a new model at the end of 2019 nine entirely new models with futuristic E-Tron EVs, including sedans and SUVs.
- Around early 2020, MG Motor India plans to set up an MG ZS EV electric SUV and plans to produce an inexpensive EV within the next three to four years.
- 5500 buses will be supplied by this company to various government agencies, such as BYD-Olectra, Tata Motors and Ashok Leyland.

### **Initiatives by the government:**

The Government of India uplifts the international financial investment in the automotive industry and enables FDI to invest 100% immediately in foreign direct investment.

A few of the Govt of India's latest steps are-

- In line with budget 2019-20, announced an extra deduction from income tax on the loans for the purchase of EVs in Rs. 1,5 lakh was charged by the government.
- The government will also increase India as a global production and R&D hub.
- The Govt plans to set up, under NATRiP, a large number of more R&D centers for world standard industry, at US\$ 388.5 million.
- The government of India and the heavy industry ministry have chosen 11 cities across India to include electric vehicle systems under the fast adoption and manufacturing and electric vehicles schemes in India with public transportation systems. Incubation for start-up firms in the field of EVs was also set up by the government.
- The FAME-II system for FY20-22 was approved by the Indian Government in February 2019 and requires Rs. 10,000cr, of fund resources.

Achievements that can be seen:

The government's accomplishments in the last four years are as follows:

- i. In the year 2019, financing flows in the Electric vehicle start-ups increased up to 170% to US\$397 million.
- ii. 5,644 electric buses were authorized in 64 cities by the Inter-Ministerial panel on 29 July 2019.
- iii. On 3 January 2019, the Project Implementation and Sanction Commission (PISC) approved the NATRiP proposal for the 'Grant aid for the Electric vehicle performance certification of NATRIP implementation society' as per the FAME Scheme.

Since 2015, NATRiP has been established following research and development centers in the region like Manesar, Silchar, Indore, Pune and Chennai

Samarth Udhyog - Industry centers perform trial and experience centers are being developed in the country to promote smart production and advanced production which enable small and medium-sized enterprises to deploy Industries.

### **Journey ahead:**

Different factors, including low-priced skilled labor availability, strengthened research and development centers, and economical steel production, have well supported the automotive industry. Furthermore, the industry offers professional and unskilled people great opportunities for financial aid and employment.

It is projected that the Indian car industry will also cross Rs 16,16-18,18 trillion by 2026, including the component manufacturing sector.

### **Favorable brands:**

**NEXA:** Nexa is the one-stop destination for Maruti Suzuki's Luxury and Premium cars. Maruti is a household brand in India and the people of this country have utmost faith in this brand. Maruti has been the market leader for several years. It is known for its easy availability of after-sales services. **MERCEDES:** Mercedes is a German Based company but when one thinks about luxury cars Mercedes is the first brand that comes to their mind. It is a matter of pride to own a Mercedes in India. **BMW:** BMW, like Mercedes, is considered to be one of the most high-end brands. Again, like Mercedes, it is also a German Based Brand, but it's still regarded as one notch below Mercedes in India. **KIA:** Kia is a South Korean Company that entered the Indian market only recently, but it has been a great market player since its entry. Consumers prefer KIA cars some prefer KIA over Nexa. **Toyota:** Toyota is a Japanese Company that is highly preferred by Indian Consumers. Toyota Corolla has the same impact on people that it had when it was first launched. Indian consumers who cannot afford Mercedes opt for a brand like Toyota. The purpose of this review is to address the following questions based on the factors explained. Which parameters affect the Indian customers' purchase decision?



### Theoretical Background - The Buying process (Five stage model)

A consumer usually experiences 5 purchasing decision stages (Fig. 1). The process begins well before and long after the actual purchase. Consumers might not always be skipping or modifying the five steps.

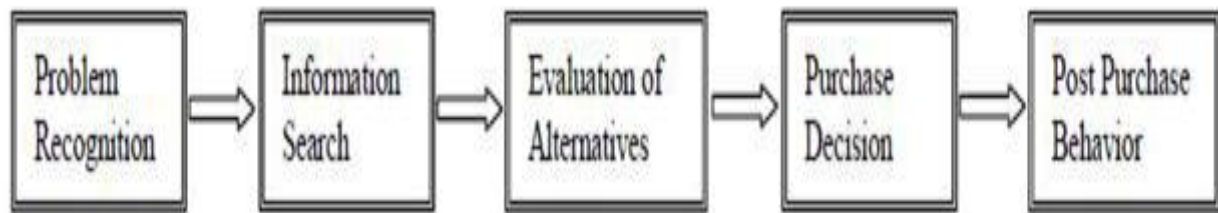


Fig 1; The 5-stage model (Source Kotler)

**Recognition of problem:** The process starts with internal or external stimuli when the buyer detects the problem. With internal stimulation, the usual needs of a person are growing and becoming a need. External stimuli, for example as we look at something and try to get this into us, may be causes that influence a person outside.

**Search for Information:** When a customer discovers an issue, he or she will possibly obtain more details about the problem. The knowledge gathered from various sources provides customers more information on the issue, the products that compete in the market and their characteristics that separate them from others.

**Alternatives of evaluation:** How does the market determine the competitive knowledge of the brand and its value? Unfortunately, all customers and consumers in all purchasing circumstances are not subject to a single, clear evaluation process. However, one dominant view is that the appraisal process is cognitively guided and balanced. According to this view, a customer attempts to overcome the issue and fulfill the need. Simply put, the user would search for product aids that solve problems. The customer, therefore, searches for goods with certain features that fulfill the requirements. The customer thus understands that each product provides benefits to meet their needs as a whole of characteristics with varying levels of skill. It is necessary to consider the specifics of need, benefits, and attributes. A hierarchical method is a useful way to improve ties between the three.

**The decision to purchase:** In the appraisal process, the customer establishes expectations between the different brands depending on the advantages it offers and decides to purchase the desired brand. The choices can be taken in 3 different ways: 1) selecting the item first and the outlet second, or 3) choosing the outlet first and selecting the item second at the same time. Consumers undergo a real-time method of choosing shops and labels in certain cases. The customer buys the commodity as desired after this has been completed.

### Engel, Blackwell, and Kollat's (EKB) Model Consumer Behavior:

To define and coordinate the body of knowledge/research concerning consumer behavior, the EKB model was introduced. This highlights the different elements of customer decision-making and the relationships between them. Five sections, viz., comprise the model. the input of information, processing of information, decision processing, variables in decision, and external factors.

**The input of information:** It involves all sorts of factors to which a customer is exposed and generates a type of behavior. The customer is subject to a variety of factors (for example advertisements, personal retail events, shopping posts, points of sales, and several other factors), as well as to non-commercialization (family members, friends etc.). This requires information.

**Processing of information:** Stimuli or influences obtained from the 1st stage are given information; information is converted into important information. This involves the exposure, attention, understanding, and remembering data of the consumer. The consumer is exposed to variables that

determine which should be the focus of the stimulus consumer; after that, he would infer and understand it, retaining it.

**Decision-process:** The model focuses on five decision processes involved during the processing of information, viz., problem recognition, search, and alternative evaluation, selection of the perfect, and post-purchase evaluation. This starts with problem identification; a search for associated evidence follows. The quest for similar information is often influenced by environmental conditions. Then, the customer considers the different alternatives; in this, we conclude that generating contributes to the creation of perspective, which in turn affects the decision to buy. They choose and buy when they pick. They build happiness and disappointment after the buy. This functions as feedback on the input and again affects the loop.

**Variable in the decision process:** The model shows human factors that impact different stages of decision-making. It includes factors like demographics, age, money, attitude, values, lifestyle, normative compliance, etc.

**External factors:** There are also suggestions for some environmental and condition stimuli which impact the decision-making process. External influence includes "cultural identity, social status, family as well as other influences"; the financial condition includes situational influences for the consumer.

### **Hawkins Stern Model**

Stern believed in the concept of impulse shopping behavior, whereas many customer behavior ideas centered on logical intervention. Stern said unexpected purchasing urges matched in with sensible buying decisions to consider the consumer's whole image. Impulse buying is mostly due to external stimulation and has no connection with the conventional decision-making process. Stern had four impulse shopping types. Next - the sheer buying of emotions, the spontaneous set of items. Secondly, customers shop recalled urges, such as putting a product close to each other to take the other out if a buyer notice. Third suggested impulse purchases, Like a warranty for a device. Finally, customers settle on the intended pulse of the piece, but they do not know the parameters.

### **Need Hierarchy by Maslow**

Abraham Maslow formulated a widely accepted need hierarchy theory. He identified five stages in need theory. This theory shows that it is necessary to reach lower levels before higher levels are required. Here are the different human needs levels

1. **Physiological Needs** – they are known as necessities or primary needs. Shelter, food and clothing are some of the basic needs. If these needs are not fulfilled the human cannot function properly. Basic needs are the most important needs as all the other needs can be accomplished only after these needs are met.
2. **Safety needs** - The need for protection and safety comes when the physiological needs are met. People want to remain in order, predictable, and regulated for a longer time in their lives. The family and culture follow these conditions in theory. Financial protection as well as law and order, fear-free, social harmony, health, and education, etc.
3. **Love and belongingness needs** - The third necessity is a sense of belonging. This is important to motivate behavior in interpersonal relationships. Examples include friendship, confidence, acceptance, love, and affection.
4. **Esteem needs are the** – It is the fourth need which is divided into categories:
  - (i) self-esteem and
  - (ii) the desire for respect from others.
5. **Self-actualization** is the highest level of need, and it refers to the realization of a person's fullest ability, seeking personal growth, self-fulfillment. Maslow termed this level “the desire to accomplish everything that one can, to become the most that one can be”.

### **Statement of the Problem**

The present study on the topic will try to answer:

- The factors influencing the purchase decision in a luxury car.
- The main reason consumers shift from one brand to another.

**Null Hypothesis (H0)** Brand, price, social parameter, road infrastructure, style, fuel economy and performance, family requirement, after-sales service, safety, and space does not influence the customer's purchase decision

**Alternative Hypothesis (H1)** Brand, price, social parameter, Road infrastructure, style, fuel economy and performance, family requirement, after-sales service, safety, and space does affect the purchase decision of the customer.

### **Objectives of the study**

The basis of the study was a theoretical model. The main goal was to establish a purchase for consumer's model of intention, with essential dimensions of luxury car owners' buying behaviour.

The aims of the study of influence were:

- Comportment research focused on the theory of the purchasing of habits and model of transactions.
- Identifying the reasons for shifts in Indian consumer purchasing conduct
- To emphasize important factors which influence the Indian middle-class purchasing decision.
- To support the rankings and consumer expectations of different automotive companies in India.

### **Review of Literature**

As per literature & research on the middle class of India, its increment and potential, the future and backbone of the Indian economy are believed to be. But few types of research have shown its diverse unique customer behavior and attitude and its penetration into India's rapidly growing car industry. This research aims to identify the cause and the effect of the changes on the purchasing decisions of the Indian middle class, as well as changes in its consumer behavior. The research also highlights the factors that cause the move from one brand to another and purchase their automotive. Discussion of these variables contributes to the creation of different theories to address the issue of study.

Preeti tak and Ashish Pareek an observational analysis showing the purchasing pattern those customers have experienced is a drastic improvement over the past decade in their article on "Consumer Attitude towards Luxury Brands." Market purchasing power has been impacted by higher sales. Therefore, customers are now embracing luxury products from abroad at a much faster pace. Indian customers are motivated to buy luxury brands and have become a sign of prestige because of these brands. In expressing one's personality, luxury brands are useful.

Shweta kastiya "Closet consumers are those who are not born wealthy and experiment with luxury along with a middle-class and conservative mentality, she wrote in her article on The Impact of Consumer personality traits on the luxury brand market".

"The word luxury means beauty; it is the art applied to functional items. Just like light, luxury is insight. Luxury items provide added pleasure and flatter all our senses with no time interval. Luxury is the appendage of the ruling classes (Kapferer 1997, p. 253)". "On one hand, necessities are utility objects that relieve an unpleasant state of discomfort, luxuries are described as objects of desire that give happiness and pleasure (Berry 1994). The desire to imitate the way of life of the rich is parallel to social pressures on the propensity to purchase luxuries (O'Cass & Frost 2004; Amaldoss & Jain 2005). The luxury market may therefore be regarded as a rising mass market, which includes members of the wealthiest social class, as well as those at a more moderate socio-economic level" (Nueno & Quelch 1998; Yeoman & McMahon-Beattie 2006). "Truong et al. (2008) and Gardyn (2002) note that luxury goods are now more easily available, and thus more customers are ready and able to pay a premium price for status goods". "Indian customers are pumped into purchasing luxury goods, as these products are a sign or marker of rank and class that can be shown off by customers (Chadha & Husband, 2006; Debnam & Svinos, 2006; Thomas, 2007)" Over the past years, American researchers have been studying consumer understanding and behaviour in the car market (Haubl, 1996; Iacobucci, et al). Several writers and writings have explored luxury car customer expectations (Rosecky and King, 1996) and much of this work focuses on consumer loyalty and brand change



(Rosecky and King, 1996)". These days customers just care more about global wealth and the community and want to know what the products they buy do. We need to identify who a consumer is to understand consumer behaviour. Consumer behaviour is an examination of the processes used by individuals or groups to comply with the needs and wishes involved in collecting, buying, using, or disposing of goods, services, ideas or experiences. (Solomon, Bamossy, et al. 2006, p6). (Schiffman and Kanuk, 2007, p. 3) take a similar approach in describing consumer conduct: the behaviour displayed by consumers in the search, purchase, use, evaluation, and disposal of the products and services they expect will meet their needs. The convenience of having mobility means it has to do with vehicle ownership. National governments tacitly modulate in many developing economies. Laws that make it easy to own and use vehicles because motorization symbolizes progress (Dimitriou, 2006). There is documentation at the national level of families preferring to own cars symbol for status (Banerjee, 2011).

"As per Kapferer and Bastien (2009), luxury goods do not define perfection, but goods that have an impact. It is not the price of the commodity that is offered to the customer. Chevalier and Mazzalovo (2008) pointed out that several different sectors of operation would categorize luxury as (a). The fashion of luxury (b). Spirits and Champagne (c). Automotive Luxury (d). Tourism of Luxury (e). Hobbies of luxury".

A Luxury vehicle in marketing is a term for a vehicle that offers luxury at an increasing expense, beyond the strict requirement, attractive and friendly features. "The term can refer to all types of vehicles in coincidental use, including sedans, coupe, hatchback, station wagons, and convertible body styles, as well as minivans, crossovers, or sport utility vehicles and any size vehicle, from large to small and at any price range (Anurit, Newman, Chansarkar, 1998)".

"Dubois and Laurent (1994) and Tidwell and Dubois (1996) stated that demographics, lifestyles, social environments, as well as luxury supporters and marketers affect the perception of luxury". "The purpose of buying is the incentive for consumers to select a specific brand in a product category in a certain buying scenario (Crosno, Freling, Skinner, 2009)".

### **Research Methodology**

This research is descriptive in nature. Both primary and secondary data collection methods were used. This research uses a quantitative approach; the theoretical approach precedes the empirical study. The focus of the research is on identifying the attitude of customers of luxury automobiles, and the factors affecting consumers in the choice of an appropriate brand; the quantitative method of the analysis was a survey; with an empirical approach because the theoretical aspect is central to the collection of data. The methodological considerations are discussed in this section and the method and philosophy, the strategy and design as well as the method of data collection selected for the analysis are explained. The data on philosophy, processes, and design of the analysis was explained by presenting the layers. Finally, ethics, personal distinctions, and weaknesses were discussed.

Dependent variable: This research used the dependent variable for purchasing luxury car-buying behaviour. The acquisition of a car is the customer's greatest alternative to purchase his favorite four-wheel passenger choice/brand and use it to boost your comfort and consolidate his social profile simultaneously. The purpose of this analysis is to determine the contributing factors to the consumers' final purchasing decision. Independent variable: To give readers a clearer understanding of the empirical findings, firstly the demographic aspects of the sampling, including income, age group, gender, and so on have been established.

### **Factors influencing a consumer's purchase decision**

1. **Brand:** A brand is termed as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product" brand plays a vital role for a consumer while deciding which car to buy and when it comes to buying a luxury car, it becomes extremely important.
2. **Social Parameters:** Social criteria, such as the number of members of the family. Lifestyle, how many vehicles are bought, vehicle use, etc.

3. **Roads Infrastructure:** Is a major influencer when buying a car is road infrastructure. The standard of the road network he/she would often be traveling with must be taken into account by a buyer. Road infrastructure has a big role to play when it comes to owning a luxury vehicle. It is extremely important to see if the car can pass through them without injury, particularly in India, where there are potholes.
4. **Price:** For potential vehicle buyers in the country the priority is to allocate the purchasing budget. A person is very frequent for friends and families to consult and make budget and brand decisions. The budget in most cases is flexible and expands to Rs 1.00,000 by about Rs 50,000. Budget shifts because the consumer wants to feel that the selection of a higher model is sensitive after the showroom visits. Buyers regard the showroom as having various advantages such as a cash discount, swap incentive, an extended free guarantee, a lower premium, etc.
5. **Style:** Although the word "style" is extremely subjective and what might be appealing to one might be opposite to the other. Today, people make style announcements by using cars to flaunt performance. Cars are meant to be a personality extension. Buyers, therefore, want to make their car the best of the lot. They are not interested in a definition that is the same and 'pleases everybody and doesn't offend anyone.
6. **Fuel Economy and Performance:** The only common feature which unites all Indian car buyers is their obsession with fuel efficiency. India's largest automaker has declared itself as the manufacturer of the most fuel-efficient vehicles. Perhaps our fascination for miles has not changed, but buyers want both performance and quality.
7. **Space:** Present car owners who want to upgrade space is a crucial factor. For consumers for the first time. Their decision to purchase is based on the space the car provides.
8. **Comfort and Safety:** Function plays a key role. The bigger the features list, the greater, because it not only increases the value of the car. Customers prefer features such as an electrically adjustable wing mirror, high-quality talkers and a reverse camera, steering mounted audio controls.
9. **After Sales Service:** The ownership starts after the purchase of a vehicle. If we start to wear and tear, some of the pieces must be replaced at long last.
10. **Resale Value:** Customers look for the resale value of almost every asset including a car.
11. **Family Requirements:** In India family, culture and opinion prevail everywhere. We buy cars keeping in mind our family requirements rather than our own. Family requirements are thus an important part of the decision-making process.

## Results and Discussion

In statistics, regression analysis is called linear regression. It examines the relationship between independent variables and dependent variables. It is modelled by the least square function which is called a linear regression equation. Regression Analysis for determining the factors influencing the purchase decision of the customer. Regression analysis can be used to examine the effect of independent variables on the dependent variable using SPSS. The Regression analysis for Purchase Intention against Price, Style, After Sales Service, Social, Parameter, Fuel Economy, Performance, Safety, Family Requirement, Space, Brand and Road Infrastructure is analyzed, and the results are presented in the tables given below. The results are subject to statistical analyses.

**Table No.1: Model Summary – Regression Analysis**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 <sup>a</sup>	.600	.575	.75120
a. Predictors: (Constant), Price, Style, After Sales Service, Social, Parameter, Fuel Economy, Performance, Safety, Family Requirement Space, Brand, Road Infrastructure				

The above table 1 represents R-value as 0.737 which is the Pearson Correlation between predicted and observed values of purchase intention. R square can be explained by independent variables such as Price, Style, After Sales Service, Social, Parameter, Fuel Economy, Performance, Safety, Family

Requirement Space, Brand. This is the collective measure of strong association of independent variables but not specific to any independent variable. The model summary shows the R-square (Coefficient of determination) value = 0.600 which indicates that the model is having a medium effect on dependent variables. The R square value of the above table indicates that 60% is the collective measure of strong association of the independent variables, but not specifically to any independent variable. Hence, the model is fit. The above table indicates the adjusted R square as 0.575.

**Table No.2: Co-efficient of Regression Analysis**

<b>Coefficients</b>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.725	.557		1.301	.195
Price	-.208	.055	-.191	-3.760	.000
Style	.140	.065	.114	2.167	.032
After Sales Service	.114	.059	.101	1.918	.057
Social Parameter	.215	.058	.196	3.690	.000
Fuel Economy	-.182	.057	-.180	-3.205	.002
Performance	.237	.066	.201	3.581	.000
Safety	.163	.062	.141	2.603	.010
Family Requirement	-.073	.064	-.064	-1.139	.257
Space	.126	.067	.096	1.993	.043
Brand	.297	.067	.290	4.468	.000
Road Infrastructure	.068	.061	.066	1.114	.267

a. Dependent Variable: Purchase Intention

B values are used to check the predictability level of the dependent variable from independent variables. The equation for regression can be represented in many ways. The UC is used in the regression equation. By using the values for the UC in the table 2, the following equation for regression analysis can be written as  $Y$  (Purchase intention) =  $0.725 - 0.208 \text{ Price} + 0.140 \text{ Style} + 0.215 \text{ Social Parameter} - 0.182 \text{ Fuel Economy} + 0.237 \text{ Performance} + 0.163 \text{ Safety} + 0.126 \text{ Space} + 0.297 \text{ Brand}$

The Standardized Coefficients penalize the inclusion of the other variables and that can be compared with UC. The coefficient for the price (-0.208) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for style (-0.140) is significantly different from 0 because its p-value is 0.032, which is smaller than 0.05. The coefficient for the social parameter (0.215) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for fuel economy (-0.182) is significantly different from 0 because its p-value is 0.002, which is smaller than 0.05. The coefficient for performance (0.237) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for safety (0.163) is significantly different from 0 because its p-value is 0.010, which is smaller than 0.05. The coefficient for space (0.126) is significantly different from 0 because its p-value is 0.043, which is smaller than 0.05. The coefficient for the brand (0.297) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05.

## Findings

This study has developed a conceptual framework that may help us to understand the antecedents and consequences of purchase decisions and consumer behavior in luxury cars. The analyses of the data present result to discuss the influence of Price, Style, After Sales Service, Social Parameter, Fuel Economy, Performance, Safety, Family Requirement, Space, Brand and Road Infrastructure on purchase intention of luxury cars. The findings show that there is a significant influence of price, style, social parameters, fuel economy, performance, safety, space and brand on purchase intention of luxury cars. On the other hand, factors such as after-sales service, family requirement and road infrastructure have no significant influence on the purchase intention of luxury cars.

### **Recommendations**

Marketers need to represent how different product lines reflect an individual's characteristics and behaviour. Marketers can consider a new strategy into their product design thus allowing consumers to have more options to express their personality. In addition, the marketers also need to focus on the social meaning of their products and communicate how their products may benefit consumers in a way that would reflect their social status in society.

### **Conclusion**

This study revealed that price, style, social parameters, fuel economy, performance, safety, space and brand are the most critical predictor of purchase intention of luxury cars. These results would help businesses formulate better marketing strategies to position their luxury car brand and communicate with targeted consumers. This study presents a model that can provide a deep insight into consumer buying behaviour. In India, providing a superior product strategy may be not enough for marketers to position their product; they need to consider shifting their focus to develop effective approaches that could help consumers meet their social goals.

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