Good morning everyone, my name is Khai and today I would like to talk about my research question on if a car brand can influence the decision of buying or leasing a vehicle. So why do I choose this topic? As it is one of the most common questions getting asked on the Internet from car buyers, especially nowadays when the leasing market is getting more attractive.

Let’s start with some literature information about my topic. Car owners on average upgrade or switch their car once every 6 years because of a new design, advanced technology, gas-saving, and so on. For whatever reason, car manufacturers always use attractive numbers and benefits to catch potential customers' attention.

In the market, there are many brands designed for many different target markets. For example, Toyota or Honda sharps their focus to the affordable segment, while luxury brands like Audi or Mercedes target wealthy clients. And no matter what brands or whether used or not, a car is a depreciation asset, which means it will lose its value every day and as time goes on, more scheduled maintenance is required.

With the above information, I’ve developed my hypothesis is that the rate of buying would be higher for regular car brands over luxury brands and the rate of leasing for luxury brands is higher than the regular one.

When shopping for a car, the price and brand seem to be the priority of concern, which is also the dependent variable. A good brand like Toyota or Honda can speak for itself in terms of reliability and a long-term rider, while a brand like Mercedes can attract customers with its sleek-looking design and comfortable. In the table on the bottom right, we can see the leasing rate of most luxury brands increased between 2011 to 2016. The image below will give you a clearer picture of the significant difference between the leasing rate of the luxury manufacturers and the regular ones in 2019. We can easily see that the top % is still dominated by luxury brands.

In conclusion, it seems that the luxury vehicle market has shifted from buying to leasing, especially for new cars. According to my research, it would be beneficial to lease luxury vehicles because the buying option not only loses value more but also cost much for long-term maintenance due to the amount of technologies applied in the car. On the other hand, for regular vehicles, they can hold more value due to market demand as well as low maintenance fee. Therefore, customers in this segment will choose to buying option as they want to keep it as long as they can without burning their wallets.