Driving Perception: The Role of Socio-Economic Factors in Shaping Luxury Car Brand Image

Dr. Femina E P

Assistant Professor

Department of Commerce

MES Kalladi College, Mannarkkad, Kerala,India

Abstract

Brand image is the overall impression of the customers about a brand. Brand image of customers has an impact on their level of satisfaction and loyalty towards the brand, especially in the case of high-involvement products like automobiles. The present study aims to examine the factors influencing the brand image of luxury cars and to analyse the influence of socio-economic factors on the perception of customers towards the brand image of luxury cars. The primary data was collected from 190 owners of luxury cars through a structured questionnaire. The area of the study is limited to Kerala state, India. Findings of the study reveal that there is a statistically significant difference regarding the perception of respondents on brand image of luxury cars across their age, marital status, income, family type, and educational qualifications. Respondents agreed that the brand of car they owned offers them a feeling of luxury.

Keywords: Brand Image, Brand Awareness, Luxury car, Socio-economic profile

1. Introduction

In emerging markets, customers are more likely to be devoted to brands, adapt to changes in their lifestyles, and use those brands as a means of self-expression (Ramesh Kumar and Advani, 2005). The brand image integrates symbolic and emotional aspects related to a product in addition to functional aspects, which include features, functionalities, and appearance of the products, as well as the roles they play in the lives of the customers (Lin and Chang, 2013). According to Chernev et al. (2011), the brand is thought to be significant in forming a unique identity associated with the psychological demands and with the status and prestige of customers.

As per branding theory, a brand's image needs to be consistent and parallel to that of its customers. It is also a process meant to meet social and psychological needs. Wealth, class, success, style and recognition are the key components of brand image and developing a strong brand image is crucial to building loyalty (Liu et al.,2012; Ahmed and Moosavi, 2013). As regards to automotive sector the brand name, quality and awareness about the brand influence the loyalty and intention to purchase of the customers(Danish et al.,2020); and the brand image positively impacts brand loyalty of luxury goods (Haralayya,2021; Zha et al.,2023).According to

Loreiro and Kaufmann (2016), a luxury car is characterised by its outstanding performance, style, and deep emotional and symbolic ties, which offer its owner comfort, dependability, delight, and social prestige.

2.Review of Literature

Brand image is the symbolic significance attached to specific brand attributes. It is the sum of perceptions, ideas, and beliefs of a customer that he associates with the brand(Cretu and Brodie, 2007). Brand image is a collection of associations regarding the brand which are built and attached to the minds of customers (Rusmahafi and Wulandari,2020). It is the culmination of the strength, favorability, and distinctiveness of brand association. This allows the brand to stand out from the competition (Wu & Wang, 2014).

Companies are engaging in numerous initiatives to enhance their brand image and studies confirm that it is a predictor of customer fulfilment and future behaviours (Ryu et al., 2008). In the automotive sector, brand image substantially influences the satisfaction level of customers and it should be identified as the most important factor influencing customer satisfaction and purchase decisions (Waluya et al., 2019). Brand image leads to overall customer fulfilment with sustainable expectation and demand, and it has an impact on customer satisfaction (Jung et al., 2020)

Demographic characteristics of customers, including gender, age, income, marital status, education, occupation and family type, have a positive influence on information searching and purchase decisions of automobiles (Lin and Wu, 2018). The distinctive features of the cars with higher selling values appropriate to each customer category enhance brand image (Budiman, 2021). Brand image is thought to be a crucial factor for young customers in determining purchase intention (Ahmad et al.,2019)

3 Statement of the problem

The democratisation of luxury was brought about by the increasing numbers and preferences of middle-class and upper-middle-class consumers (Kapferer and Valette, 2016). Car dealers target these rich clients who can afford luxury vehicles (Stylidis et al., 2016).To convey the status of their wealth, these well-off groups have paid attention to their brand acquisition, perceived self-image, and consumer happiness .The current study is conducted to unveil the awareness of luxury car customers regarding their brand of luxury cars, to examine their perception on brand image of their luxury cars and to analyse the influence of their socio economic profile on their perception towards brand image of luxury cars they owned.

4.Objectives of the study

To examine the socio-economic profile of the respondents

To understand the details of the luxury car owned by the respondents

To analyse the perception of customers towards the brand image of a luxury car

To analyse the influence socio-economic profile of the customers on their perception of the brand image of luxury cars

5 Research Methodology

The area of the study is selected as Kerala State, India. Primary and secondary data were used for the study. The primary data were collected using a well-structured questionnaire. The secondary data obtained from the previous studies, journal articles, textbooks, newspapers, reports, conference proceedings and official websites. Snowball sampling method was adopted to arrive at the sample respondents. The questionnaire was administered to 200 luxury car owners. Due to partial responses and unwillingness to respond, the final sample resulted in 190 valid responses. Descriptive statistics were applied to categorise the respondents based on their socio-economic profile and to analyse their perception towards brand image of their luxury cars. In order to analyse whether any significant difference exists in perception of brand image across socio-demographic profiles, t-test was applied for gender, marital status, and family type and the rest of the variables were analysed with ANOVA.

6 Analysis and Interpretation

6.1 Socio-Economic Profile of the Respondents

Demographic characteristics of customers include gender, age, income, marital status, education, occupation and family type. The information that is displayed in table 1 demonstrates the socio-economic profile of the luxury car owners, who are the sample respondents for the study.

Table 1 Socio-Economic Profile of the Respondents

Variables	Categories	No of Respondents (n=190)	Percentage
Age (in years)	Less than 30	24	12.4
	30-40	34	17.6
	41-50	77	40.3
	Above 50	57	29.7
Gender	Male	155	81.3
	Female	36	18.7
Education	School	61	31.8
	Graduation	65	34.2
	Post Graduation	26	13.4
	Professional Courses	39	20.5
Marital Status	Married	170	89.2
	Unmarried	21	10.8
Occupation	Employee	19	9.7
	Profession	41	21.6
	Business	101	52.9

	Others	30	15.8
Annual Income (in ₹)	25,00,001 - 50,00,000	117	61.3
	50,00,001 - 100,00,000	58	30.5
	1,00,00,001 - 1,50,00,000	16	8.2
Family type	Joint Family	67	35.3
	Nuclear Family	123	64.7
Family Size	Up to 3 members	27	13.9
	4 members	75	39.2
	5 members	43	22.6
	Above 5 members	46	24.2
Number of earning members	1	57	29.7
	2	106	55.8
	3	25	12.9
	4	3	1.6

Source: Primary Data

The age-wise distribution of the respondents shows that 40.3 percent of respondents belong to the age group of 41 to 50 years, 29.7 percent of respondents were over the age of 50 years,17.6 percent of respondents were in the age group of 30 to 40 years, while 12.4 percent of respondents were under the age of 30 years.

The male participants accounted for 81.3 percent of the total sample, while the female participants constituted 18.7 percent. Therefore, the vast majority of respondents who purchased luxury cars are male.

The educational qualification of the respondents shows that 34.2 percent are graduates, 31.8 percent have been educated up to school level, 20.5 percent of respondents were professionally qualified and the remaining 13.4 percent were postgraduates.

As regards to the marital status of the respondents, the majority (89.21%) were married and 10.8 percent were unmarried

The standard of living and purchase behaviour varies according to the occupation of the individuals. About 53 percent of the respondents were in business.21.6 percent have a profession , 15.8 percent of the respondents were pensioners and agriculturalists and only 9.7 percent were employees.

About 61 percent of the respondents earn annual income of ₹25 lakhs to ₹50 lakhs and 30.5 percent of the respondents were earning between ₹50 lakhs to one crore. The annual income of 8.2 percent of respondents ranges from ₹1 crore to ₹ 1.5 crore

With regard to family type, 64.7 percent of respondents belong to nuclear families and 35.3 percent live in joint families.

About 39 percent of the respondents have a family size of four members. 24.2 percent of respondents have more than five members in their family. The respondents having five members in the family were 22.6 percent and respondents having up to three members were 13.9 percent.

While considering earning members, majority of the respondents (55.8percent) have two earning members in their family. About 30 percent of the respondents have only one member earning to support the entire financial needs of the family,12.9 percent of respondents have three earning members in the family and the remaining 1.6 percent comprises four earning members who contribute to the total income.

6.2 Details about the Luxury Car Owned by the Respondents

The various details of the luxury car owned by the respondents such as the sources of information they sought before they purchase, the occasion of purchase, the advertisement media influence, and the value of the car they owned are analyzed and presented in Table 2.

Table 2   Details of Luxury Cars owned by the Respondents

Details	Category	No of Respondents (n=190)	Percentage
Sources of information	Self	104	54.7
	Car Dealers	51	26.8
	Relatives and Friends	7	3.7
	Own wards	28	14.7
Occasion of purchase	Latest model introduced	98	51.3
	Festival	26	13.4
	Family Function	55	28.7
	To avail offer benefits	13	6.6
Media of Advertisement for luxury Car	Television	12	6.1
	Newspaper	4	1.8
	Journals & Magazines	60	31.6
	Internet	115	60.5
Value of Car Owned (in ₹)	35,00,000 - 100,00,000	121	63.4
	1,00,00,001 - 2,00,00,000	38	20.0
	2,00,00,001 - 3,00,00,000	26	13.7
	3,00,00,001 - 3,50,00,000	6	2.9

Source: Primary Data

As luxury cars require high involvement in purchase decisions, the source of information about cars for the sample respondents includes the information searched by the respondents themselves through social media, test drives etc (54.74%), the information provided by the dealers of luxury cars (26.84%),inputs provided by their own wards (14.74%)and relatives and friends(3.68%).

Regarding the occasion of purchase of luxury cars, 51.32 percent of the respondents purchased while launching new model of cars by the manufacturers; 28.68 percent of the respondents bought their cars at the time of

functions in their family; 13.42 percent purchased during various festive season and only 6.58 considered offers provided by the dealer and bought to avail those offers.

Majority of the respondents used the internet and social media to watch the advertisements of the luxury car brands owned by them (60.53%),31.58 percent from Journals and Magazines; 6.05 percent watched television and only 1.84 percent noticed advertisements in newspapers to know about the luxury car brands.

In regard to the value of the luxury cars owned, the majority of the respondents (63.43%) owned luxury cars with a price range of ₹.35 lakhs to ₹1 crore, 20 percent of them own the luxury cars with price ranges from ₹ 1 crore to ₹ 2 crores. Luxury cars in the range of ₹2 to ₹ 3 crores were owned by 13.68 respondents and the remaining 2.9 percent of the respondents owned luxury valued above ₹ 3 crores.

6.3 Brand Awareness on Luxury Cars among the Respondents

Brand awareness significantly influences the purchase intention of automobiles (Phan et al., 2019). The brand awareness of the respondents regarding their luxury cars has been analyzed and outcome presented in Table 3.

Table 3   Brand Awareness on Luxury Cars among the Respondents

Particulars	No of Respondents (n=190)	Percentage
Fully Aware	148	77.6
Partly Aware	11	5.5
Just Aware	32	16.8

Source: Primary Data

While analyzing the awareness level of the luxury car owners about the brand of cars and details about the car , majority of the respondents(77.6%) were fully aware of the brand of luxury cars,16.8 percent respondents have limited awareness about the brand of luxury cars and 5.5 percent respondents have partial awareness about the luxury car brands.

6.4 Brand-wise Luxury Cars Owned by the Respondents

Brand plays as an important predictor when deciding on the purchase of a luxury car (Gokhale et al., 2021). Table 4 depict the brand of luxury cars owned by the respondents.

Table 4   Brand-wise Luxury Cars owned by the Respondents

Particulars	No of Respondents (n=190)	Percentage
BMW	67	35.3
Audi	54	28.4
Mercedes Benz	69	36.3

Source: Primary Data

With respect to the brand of luxury cars owned, 36.3 percent of the respondents purchased the luxury segment of cars from Mercedes Benz, 35.3 percent owned BMW,28.4 percent respondents owned luxury cars from Audi.

6.5 Perception of Brand Image among the Respondents

Perception of the respondents on the brand image of their luxury cars was identified by measuring their agreeableness on various elements of the brand image through mean values, including distinct image, lifestyle, prestige, luxury, and flashy appearance of the cars(Table 5).

Table 5 Perception on Brand Image of Luxury Cars among the Respondents

Variables	SA		A		N		DA		SDA		Mean	S.D
	n	%	n	%	n	%	n	%	n	%		
The Brand has created a distinct image in my mind	66	35.00	107	56.05	12	6.32	4	2.11	1	0.53	4.23	0.70
The Brand provides me life style	92	48.42	82	43.16	9	4.74	5	2.63	2	1.05	4.35	0.78
The Brand is prestigious to me	101	53.42	76	40.00	8	3.95	3	1.58	2	1.05	4.43	0.74
The Brand offers me luxury	113	59.74	67	35.00	5	2.63	2	1.05	3	1.58	4.50	0.75
The Brand is flashy in its appearance	49	25.53	122	64.47	12	6.32	5	2.63	2	1.05	4.11	0.71

Source: Primary Data (SA-Strongly Agree, A- Agree, N- Neutral, DA- Disagree, SDA-Strongly Disagree)

The table 5 revealed that 94.7 percent of the respondents agreed that the brand of car owned offers luxury(mean value 4.50). About 93 percent agreed that the luxury cars owned by them demonstrate the brand prestige (mean value 4.43).92 percent of the respondents believe that the brand of luxury car provides them with a lifestyle (mean value 4.35) and the luxury cars also create a distinct image to them mean value 4.23) and 90 percent agreed that the appearance of their luxury car is flashy (mean value 4.11).

It is inferred that the respondents have perceived all the five elements of brand image well and expressed homogeneous opinions and ultimately the respondents acquired a luxury feeling through the brand of luxury segment of cars owned by them.

6.6 Brand Image and Socio-Economic Profile of the Respondents

The distinctive features with higher selling values appropriate to customer categories provide ways to the marketing team to enhance brand image (Budiman, 2021). Significant differences appeared in brand image and the relationship between brand image and customer satisfaction across the educational background, occupation, and monthly income of the customers. Hence, hypotheses were framed and tested regarding the perception of respondents on brand image across the demographic variables. The t test was applied for gender,

marital status, and family type presented in Table 6, and the rest of the variables were analysed with ANOVA and presented in Table 7.

H_0: There is no significant mean difference in perception of brand image across the socio-economic profile of the respondents

H_a: There is a significant mean difference in perception of brand image across the socio-economic profile of the respondents

Table 6 Brand Image across Gender, Marital status and Family type of the Respondents

Socio-economic variable	Category	Mean	t	Df	Sig
Gender	Male	4.326	0.099	189	0.921
	Female	4.318			
Marital Status	Married	4.353	2.675	189	0.008**
	Unmarried	4.088			
Family Type	Joint	4.416	2.190	189	0.029*
	Nuclear	4.275			

*Source : Primary Data   ** denotes significant at 1% level * denotes significant at 5% level*

Table 7 Brand Image across Age, Education, Occupation and Annual income of the Respondents

Socio -economic variable		Sum of Square	Df	Mean Square	F	Sig
Age	Between group	4.595	3	1.532	4.290	0.005**
	Within group	134.252	187	0.357		
Education	Between group	3.153	3	1.051	2.913	0.034*
	Within group	135.694	187	0.361		
Occupation	Between group	2.136	3	0.712	1.959	0.120
	Within group	136.711	187	0.364		
Annual Income	Between group	2.590	2	1.295	3.583	0.029*
	Within group	136.258	188	0.361		

*Source : Primary Data   ** denotes significant at 1% level * denotes significant at 5% level*

As per the results displayed in Tables 6 and 7, a highly significant mean difference exists in the perception of brand image across age (0.005) and marital status (0.008) at a one percent significant level and the respondents' perception across annual income (0.029), family type (0.029) and educational qualifications, where the null hypotheses rejected.

There are no significant mean differences in the perception of respondents on brand image across their gender and occupation.

The customers of luxury cars have different perception about the brand image of their car according to their level of age, educational qualification, marital status, income level, and family type.

7 Implications of the Study

The study points out several implications on the basis of findings, which guide the manufacturers of luxury cars and dealers to adopt effective marketing strategies

❖   The demographic factors like age, educational qualification, annual income,marital status and family type could be significant for marketers and advertisers for targeting the customers.

❖   Marketers and dealers need to provide relevant and sufficient information about luxury cars, in order to facilitate the customers to make informed decisions.

❖   Buyers of luxury cars have adequate awareness about the brand. Hence the makers try to maintain their reputation and trust by providing exceptional features and services.

❖   Esthetic value associated with the cars to be the built-in features in luxury cars. The customer engagement activities shall be effective in making the customers emotionally attached and committed to the brand.

❖   Manufacturers can increase their brand image by adding more specifications which develop a feeling of luxury among the customers. Tailor marketing campaigns and strategies by focusing the perceptions and preferences of each demographic segments.

Conclusion

It is inferred that the statement 'the brand of car offers luxury' identified as the most agreed brand image aspect among select luxury car owners, and the respondents have homogeneous opinions regarding the brand image of their luxury car. As per socio-economic profile, age, marital status, income, family type and educational qualifications of the respondents have found statistically significant differences with the brand image. Luxury car owners have adequate awareness about all aspects of their brand of luxury cars and they generally use social media to watch the advertisements and purchase cars while launching new models. Hence the study recommends the manufacturers and dealers of luxury cars to maintain their reputation and trust by providing exceptional features and services by considering the perceptions and preferences of each demographic segments.

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