Consumer's Attitude Towards Global Luxury Car Brand Purchase Intention: Development of a Conceptual Model

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Abstract- The consumption of luxury brands is influenced by a number of factors such as consumers’ attitude, identity, personality, mindset, values, social influence and financial power, etc. Researchers have conducted a number of scholarly studies on consumption of luxury brands in rich Western countries, and have analyzed the behavioral outcomes of consumers in terms of hedonism, prestige, uniqueness, quality, and conspicuous consumption. However, little research has been conducted on the consumer behavior of luxury consumption in emerging countries, such as Sri Lanka. As a consequence of globalization, Sri Lanka today has an emerging wealthy class of consumers that wish to enjoy the luxurious living of the Westernized rich, including the ownership of luxury car brands such as Bentley, Porsche, Ranger Rover, etc. Using Sri Lanka as a test case, this paper proposes a new conceptual model that could be applied to the study of consumption of luxury brands across emerging markets to determine the consumer attitude towards luxury.

Index Terms- Luxury brands, brand love, brand consciousness, consumer attitude, lifestyle, brand identity, Sri Lanka, self-identity, social value, experiential value

I. INTRODUCTION

Marketers have often sought to learn the characteristics of particular consumers and to understand their attitudes toward brands. A few studies have considered automobile purchasing behavior in emerging markets (Sedzo, et. al., 2014). According to (Wiedmann, Hennigs, & Siebels, 2007) understanding the consumer perceptions and culture is a challenge for the brand marketers. The consumer attitude towards the purchase of luxury brands has a positive correlation with the purchase intention (Sharada, & Bhat, 2018). Luxury brands have started to stream into Asian markets to chase the new wealthy consumers that are emerging in countries such as Sri Lanka and Asian markets, especially China has played a greater role in the global consumption for luxury (Koch & Mkhitaryan, 2015). Consumers associate the concept of luxury with terms such as: upscale, great taste, high quality, high class, etc. Consumers do satisfy their utilitarian necessities through luxury brands, but Dubois, Laurent, & Czellar, (2001) discussed social and psychological restraints that have existed in societies as long ago as in ancient Greece. According to Shukla (2011) compared with the Europe, the consumers in Asia have exhibited subjective influence of the individual with greater brand love towards luxury brands.

Vigneron and Johnson (1999) proposed five main factors that influence consumers’ decision making for luxury brands; conspicuousness, uniqueness, social (bandwagon appeal), emotional (hedonism), and quality. Most researchers do concur that recognition of luxury exists on two distinctive dimensions: the individual situation and the general population (Campbell, 1987). Wiedmann, Hennigs, and Siebels (2007) described that the luxury value has three fundamental dimensions and they are functional value, social value and individual value. Studies by Elinder (1961), Levitt (1988), Fatt (1964) and Roostal (1963) have shown that because of the similarity of the segments across countries, globalized brand consumption can occur in different cultures through standardized communications. Product classes such as luxury cars, fashion, leather accessories, jewelry, etc. have shown similarity in appeal to consumer segments from different cultural backgrounds across countries (Dawar & Parker, 1994).

Sri Lanka is a rapidly developing country in the south Asian region. The Sri Lankan government has made significant efforts to attract foreign direct investment for number of development projects. This economic development has given Sri Lankan consumers new optimism and they are becoming more conscious about their living conditions. Increased education has also expanded consumerism in Sri Lanka, as its citizens have become more familiar with how other consumers live throughout the world. As the economy grows, so do imports (Arif, et. al., 2017). With its new hope and economic prosperity, and positive trajectory, many multinational corporations are considering to enter into Sri Lankan market. Because of the rapidly changing consumer profiles of these developing countries, there is a need to explore the perceptions and attitudes of luxury buying brand purchasing behavior in these markets (Roy, Jain, & Matta 2018). The appreciation of global luxury brands has been affected by globalization and greater multicultural interactions (Jiang et al., 2014). Despite the amount of abundant research conducted on luxury branding, there is a significant dearth of research on the actual buying behavior and thought process of individual consumers buying luxury brands (Miller and Mills, 2012). Consumer identity plays a big role as a stimulus in creating a...
psychological or mental structure in consumers’ minds regarding luxury brands (Roy, Jain, & Matta 2018).

II. RESEARCH PROBLEM

Jain, Roy and Ranchhod (2015) suggested that the changing profiles of the Asian consumer have significantly affected the inflow of luxury brands to South Asian countries. Several studies have fathomed the influence of a country’s culture and demographics on luxury brand consumption (Hung et al., 2011; Godey et al., 2013). According to Oswald (2010) the perception of luxury brands and the meaning tied to these brand images are quite different in emerging markets than they are in the Western markets where many of these brands originate. However, Hennings et al., (2012) showed that regardless of country, consumers of luxury brands had similar basic motivational drivers. Although research has been conducted into luxury branding from the view of the retailer (Fiondaan & Moore, 2009) (Miller and Mills, 2012; Ghosh and Varshney, 2013), dearth of research could be found about consumer’s attitude towards luxury automobiles from Asian perspectives. Camilo and Davit (2015) found that Chinese consumers tend to expect specific benefits (safety, quality, design, and technology) from luxury car brands.

Even though there is substantial research carried out in the history of luxury literature, consumer research on the attitudes towards luxury is scarce (Dubois et al., 2005; Shukla, 2012). The consumer attitude towards the purchase of luxury brands has a positive correlation with the purchase intention (Sharda, & Bhat, 2018). Therefore, it is important to develop a comprehensive understanding of the determinants of consumers’ attitude toward luxury brand consumption to understand how their intrinsic motivations and attitude towards luxury brands differ by culture and what shapes those differences (Bian and Forsythe, 2012).

III. LITERATURE REVIEW

Luxury is a concept which is very difficult to be defined and it is based on subjective judgements that could lead for different definitions (Vigneron and Johnson, 1999); Yeoman, 2011). Luxury is an ambiguous concept (Dubois, Laurent & Czellar 2001). This ambiguity is related to the abstract and symbolic nature of luxury (Roux & Boush 1996). Therefore, to understand luxury, it is important to understand the dimensions of luxury and the consumer attitude towards luxury. The Brand Luxury Index (BLI) scale developed by previous researchers: Vigneron and Johnson (2004), Kim (2012), Kim and Johnson (2015) is widely accepted in research on luxury to measure the consumer attitudes to evaluate the global luxury car brands.

Husic and Cicic (2009) found that consumer demand for luxury brands is increasing in many countries as consumers acquire more income and seek more consumption opportunities. In addition, emerging markets have a growing demand for luxury brands, which is mainly influenced by middle-class consumers (Hodgson, 2015 & Kapferer, 1998). These markets are characterized by a strong desire for status (Deloitte, 2014 & Kapferer, 1998).

Hauck and Stanforth (2007) defined luxury as non-necessities, or something that is more than needed for survival. This broad definition of luxury describes the introduction of luxury brands into the middle classes. This movement of the concept of luxury down the class structure has led to significant growth in the market for luxury brands (Savitha & Sathyaranayar, 2014). Weidman et al., (2009) proposed four main dimensions of luxury. These dimensions are financial, functional, individual, and social. The financial dimension measures the monetary value of luxury, whereas the functional dimension is identified as basic benefit and its utilities. The customer’s personal orientation towards luxury forms the individual dimension, and the social dimension is identified as the perceived utility of luxury consumption as recognized by the society.

There has been a significant increase in the number of millionaires thanks to the success of globalization throughout the world and with it has come an expansion in the market for luxury brands (De Barnier and Rodina, 2006; Husic and Cicic, 2009; Wiedmann, Hennigs and Siebels, 2007). Despite the fact that there is such growth in the industry, the number of studies specific to luxury vehicles are minimal. At the same time, automobile manufacturers have broadened their product lines by offering an appealing experience to a many upper-class consumers across the world.

With the growth of consumerism, a large number of consumers who did not previously have access to luxury brands now feel that they have a right to access this luxury (Dubois and Laurent, 1996). In particular, the expanding sales of luxury car brands has highlighted their need to manage customer perceptions of new groups of consumers. This has added to the challenge of expanding sales to a new segment of society while maintaining the differentiation of the luxury car brand. Further, in comparison to the non-luxury automobile brands, consumer attitude plays a significant role in shaping the consumer desire for luxury car brands, which itself is driven by consumer intangibles such as psychological rewards (Vicker & Renand, 2003).

Consumers describe the term luxury with different expressions that show nuanced meanings such as upscale, great in taste, quality, class, etc. These expressions show that consumers fulfill their psychological needs through luxury, but meeting utilitarian needs is still an important component of many luxury purchases (Dubois, Laurent and Czellar, 2001; Vigneron and Johnson, 1999). Hanzee and Teimourpour (2012), showed that luxury is viewed from the consumer perspective in terms of their various feelings about the brand as well as the products’ physical qualities. An important aspect of luxury brands is that as income levels rise, consumers spend more of their money on luxury brands (Songer, 2014). However, high value brands tend to follow a standard brand positioning regardless of the market (Rajagopal, 2009). Keller (1993) argues that brand value depends on three main components: attributes, benefits, and attitudes. Attributes refers to the product or service itself, its price, and the process of buying and consuming the item. Benefits denotes what consumers think that the product or service can ultimately do for their favor. Attitude refers to consumers’ overall impression of the brand of a product or service. Percy and Rossiter (1992) created a model of a buyer’s attitude, which has four main characteristics: 1) Attitude is based upon the current motivation, which can, of course, change. 2) There are both cognitive (logical) and affective (emotional) elements. The cognitive component decides the direction of the behavior and the affective component provides...
impetus for the behavior. 3) The cognitive portion consists of specific beliefs related to benefits. 4) The attitude construct is dependent upon the choices available. Buyers select bands based on those that best meet their motivations from among the options that they perceive.

Dubois, et al. (2001), found that consumers’ perception towards luxury brand varies considerably with some having strong positive feelings and others having negative ones. Widemann et al. (2007) in their conceptual model of luxury consumption behavior, which includes the dimensions of financial value, social value and functional value, the overall evaluation of the luxury of an item is the total of the assessments of the individual dimensions. Further, these individual dimensions are influenced by local culture. Hennigs, Wiedmann, Klarmann, and Behrens (2015) described the purchasing behavioral outcome as intention to buy, willingness to pay a price premium and willingness to recommend. Purchase behavior of the luxury brand users is assessed by willingness to recommend, buying intention, and willingness to pay a price premium.

Conspicuousness, uniqueness, quality, hedonism, and extended-self were identified as dimensions of luxury (Vigneron & Johnson, 1999/2004; Eng & Bogaert, 2010; Ghani, 2013) and Brand Luxury Index (BLI) was developed by Vigneron and Johnson (1999/2004). Wiedmann et al., (2007) proposed four latent dimensions for luxury perception such as financial, functional, individual and social dimensions. Among the antecedent constructs of the first order latent variables, conspicuousness value, self-identity value, materialism and hedonism values have been used in this study. In addition to that, uniqueness value has been adopted to the model as unique experience whereas usability value has been taken as utilitarian value. These elements of luxury had strong correlation towards the behavioural outcomes of luxury brand consumption. Hennigs et al., (2015) found that financial, functional and social dimensions of luxury significantly influence the individual value of luxury perception. Among the elements that encompassed the individual value of luxury such as Experiential value, materialistic value, hedonism and sensory pleasure, this study has taken them into consideration in developing the theoretical model.

The perceived luxury dimensions were further revised by Kim and Johnson (2015) proposed quality, extended-self, hedonism, accessibility, and tradition as luxury dimensions. A large number of scales have been discussed in literature (Kapferer, 1998; Vigneron and Johnson, 1999; Dubois et al. 2001, Beverland, 2005; Wiedmann et al., 2012, Hennigs et al., 2015). However, the abundance of these scales has not been adequate to help understanding the rapid growth of the luxury market (Kapferer & Florence, 2016). Further, Kapferer and Florence (2016) stated that the addition of ‘financial value’ to the luxury model developed by Wiedmann et al., (2009) remained awkward as luxury brands are inevitably priced very high. Further they argued that Wiedmann et al., (2009) and Hennigs et al., (2012) focus on the scale more on to the individual differences rather than luxury brands themselves. Hence, it does not help the luxury brand managers to examine what levels they should stimulate in order to sustain luxury brands.

Proposed Conceptual Model

Reviewing the literature critically, the proposed conceptual framework is presented in Figure 1. Perceived Luxury Consumption Value, Social influence, General Life Values, Self-Identity, Experiential value, Brand Consciousness and Brand Love are identified as independent variables. Consumer attitude towards luxury cars is recognized as the mediating variable. Whereas the Purchase Intention is established as the dependent variable.

When the evolution of luxury concept and the consumer behavioural theories are concerned, the theory of planned behavior which is traditionally explained for behavior, not for the product, has been used to develop the conceptual model. In our study, the research is conducted for a particular type of product, global luxury cars. Therefore, there are unique things that are required and responsible for formation of attitude. That is the research gap addressed in this study.

The perceived luxury consumption value dimensions were further revised by Kim and Johnson (2015) proposed quality, extended-self, hedonism, accessibility, and tradition as luxury dimensions. In order to expand its managerial applications, experiential value has been added to the proposed conceptual model developed for this research. Further, it is agreed that luxury today need to deliver feelings of privilege, exclusivity, pleasure and uniqueness (Godey et al., 2013). Visual appeal, entertainment value, escapism, intrinsic enjoyment, efficiency, economic value, excellence, retail preference and future patronage intent have been identified to measure the experiential value in luxury consumption (Mathwick, Malhotra, & Rigdon, 2001). According to Lawry et al., (2010) self-identity values are used by consumers in order to assess the consumer’s perceived level of congruence between the luxury goods and self-image or desired image. According to Bagozzi, Batra, and Ahuvia (2014), the scale of measurements has been used to measure the current self-identity and the desired self-identity. Referring the work of Tyran et al.’s (2010) a five-factor luxury measurement model was developed by Shukla and Purani (2012) with the variables such as utilitarian, self-directed symbolic, hedonic, other-directed symbolic and cost. According to Shukla (2011) the social value of the consumer purchase of luxury is reflected by the perceived value of consumer towards luxury when compared with the social group within which the consumer associates and the reference group. The researchers (Berthon, Crockett and Rose, 2005; Van Kempen, 2003) describe the consumers’ desire to exhibit social status under the studies conducted on conspicuous consumption. Leibenstein (1950) and Vigneron and Johnson (1999) explain that luxury has been traditionally focused on pursuing the status symbol. This implies that the consumers who want to consume these luxury products need to provide information about themselves to the society. Brand Love is the relationship between the brand and the consumer in which the consumer has a positive attitude towards the brand (Batra et al., 2012). Brand love has been recognized as a new marketing concept among scholars who attempt to study the consumer’s relationship with brands (Kauffmann et al., 2016; Vernuccio et al., 2015). Attitude towards Luxury can be measured as the perceived level of luxury of a brand by consumers (Vigneron & Johnson, 2004). Nobre (2011) found that relationship with a brand was strongest for products that have high consumer involvement, such as automobiles. Luxury brand consciousness is defined as the consumer’s predisposition towards the purchase of famous luxury brands (Sproles & Kendall, 1986; Zhang & Kim, 2013). Thus, brand consciousness creates a favorable attitude towards luxury brands and special bonds between consumer and
the luxury brand. Purchase intention reflects the outcome of a consumer’s attitudes and is important in the context of brand consumption behavior (Ajzen, 1991; Berthon et al., 2009; Hung et al., 2011; Jin & Kang, 2011). Closely related to this is the repurchase intention, which is influenced by the positive emotions of the consumer pertaining to a luxury brand (Thomson et al., 2005; Carroll and Ahuvia, 2006; Batra et al., 2012; Loureiro et al., 2012).

Conceptual Model

![Conceptual Model Diagram](image-url)
DISCUSSION, CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Global luxury spending has increased significantly and it is expected to reach USD 40 trillion annually by the year 2020. Previous research studies conducted have emphasized the role of a country’s culture and its demographical factors on luxury brand consumption (Hung et al., 2011; Godey et al., 2013). As Miller and Mills (2012) suggested, the very meaning of luxury could vary from country to country because of socio-cultural and economic differences. Consumer motivations and their objectives which are behind the luxury purchase could be broadly similar (Hennigs et al., 2012), but luxury value is a complex construct and the effects of the perceptions of the individual on consumer behavioral outcomes have neither been fully explored nor thoroughly understood (Shukla, 2011; Tynan et al., 2010; Vigneron & Johnson, 2004; Wiedmann et al., 2009; Hagtvedt & Patrick, 2009). The proposed model in this paper used to examine the consumer attitude towards luxury in another country setting and will be valuable for luxury automobile car manufacturers as it will impact in three ways: 1) Identifying affordable target segments 2) Developing promotional campaigns, and 3) Determining which brands to sell in the market or to develop cars ideal for market.

Identifying the target market is not about finding the richest one percent of the population and advertising to them. As the economy grows, so does the percentage of consumers that can afford luxury cars. As these new groups of consumers are capable of purchasing luxury cars it is important to understand who is truly interested in such purchases. A proper understanding of these potential consumers of luxury cars can inform the efforts of car firms as they seek new market segments for their brands.

Cultural differences create major variations in the perceptions and acceptance of luxury brands from country to country. Using a successful promotional campaign from one region of the world may fail in another because of these cultural differences. By identifying and understanding these cultural differences; companies can develop promotional campaigns that resonate with the key factors that would influence the aspirants of luxury, and thus be more successful than merely translating a campaign used elsewhere.

Therefore, a firm must be selective when deciding which cars to introduce to the market. A thorough understanding of the market will enable a company to review its set of offerings and consider which market might enjoy the best success. A car firm may even find that a new product might better serve this markets and thus enjoy greater success than would not be possible without this study.

Although this study will focus on luxury cars, the information gained about the motivations, values, attitudes and purchase intentions luxury car aspirants it could be generalized to other luxury brands. Companies that seek to sell luxury brands in South Asia will benefit from the results of this study as they design and position their brands for this market.

With an understanding of the interactions proposed in this model, future research could look how these factors manifest in other luxury products. Indeed, many products that might be considered common to one segment could be considered luxury to another and this model could inform a shift in developing and promoting a wide range of products besides luxury cars.

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