

4.0 FINDING AND ANALYSIS.

4.1. Demographic profile of the respondents

A total of 170 sets of questionnaires were sent out via e-mail and handed over personally by the researcher to our respondents randomly. Out of the total 170 sets, 60 sets came back.

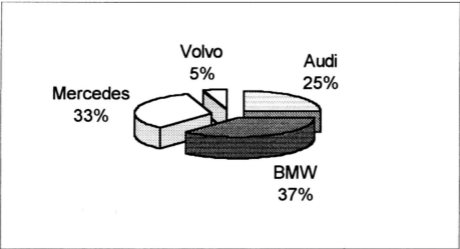
Table 4: Respondents background

	Categories	Percentage
Sex	Male	53.3
	Female	46.7
Age	Below 25 years	13.3
	25 years – 35 years	71.7
	36 years – 45 years	11.7
	46 years – 55 years	1.7
	Above 55 years	1.7
Ethnic	Malay	16.7
	Chinese	70.0
	Indian	13.3
Marital Status	Single	58.3
	Married	41.7
Income	Below \$36,000 P/A	46.7
	\$36,001 - \$60,000 P/A	30.0
	\$60,001 - \$120,000 P/A	21.7
	\$120,001 - \$180,000 P/A	1.7
Occupation	Executive	70.0
	Manager	26.7
	Senior Manager	1.7
	Entrepreneur	1.7

From the above table, we found that majority of our respondents are male and Chinese with a figure of 53.3% and 70.0% respectively. Most of our respondents are young, mature and single adult (58.3%) age ranging from 25 years to 35 years (71.7%). It is not surprising to find that majority of our respondents are in the Executive level of their career with the figure stood at 70.0%. With this figure we may conclude that they may be the target market for future car purchases and their opinion or perception might bring some light to the understanding of the needs or wants of potential buyer in the luxury car segment.

4.2 Finding

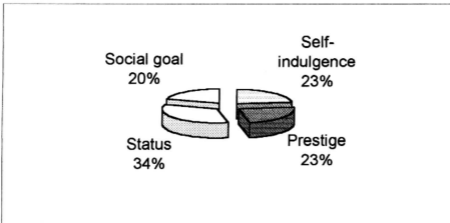
Chart 1: Respondents Choice of Luxury Car



As Malaysia luxury car segment is only represented by four categories of car namely Audi, BMW, Mercedes and Volvo, respondents were asked to name their choice of luxury car among the four categories. The results shows that BMW was the popular choice with 36.7% followed by Mercedes 33.3%, Audi 25% and Volvo with a mere 5%. The trend might

be explained by our respondents' profile which majority of them are young executive and manager in the age range of 25 years – 35 years.

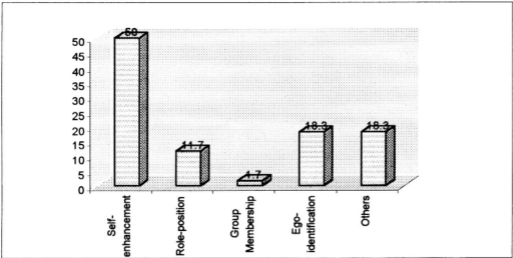
Chart 2: Reason of Purchasing a Luxury Car



Respondents are given five choices of reason on why they would purchase a luxury car comparing with a normal car, and the results shows that 34% of the total respondents choose **status** as the reason of driving a luxury car. **Prestige** falls in the second place with 23%. No respondents choose **vanity** as the reason. This result does not support Rae's belief of the power of vanity. Rae's believed that vanity was such a powerful influence that consumers whose income increased would likely to spend more money on luxuries. However, we may not conclude that vanity does not play its role in luxury consumption based on our study due to small number of sample and our respondents are those people who do not own a luxury car but instead is only the potential buyer. On the other hand, based on the finding, we might conclude that the main reason of consumer purchasing a luxury car is for status and to tell others of their achievement in the society. A trend need to take note is that **self-indulgence** stood at 23%, which is the same as **prestige**. Self-indulgence by itself is another form of luxury, which is more personal.

As we know that product may project meaning to the user. It carries with them a symbolic meaning. A few variables were used to identify which symbolic meaning that it means to our respondents. These variables are *self-enhancement, role-position, group membership and ego-identification.*

Chart 3: Brand Association



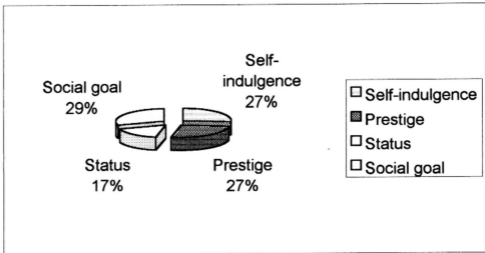
From the above chart, we note that 50% of our respondents choose self-enhancement followed by ego-identification 18.3%. Under the category of self-enhancement, we may divide it into more details whereby 26.7% of our respondents choose self-indulgence, 26.7% says prestige, 25% says status and 30% of them states social goal as their reason of choosing a particular brand. A chi-square analysis was done and the researcher found that there appear to be a significance difference between these two variables. A chi-square value of 0.023 shows that there appeared to be a difference between meaning projected by the brand with the actual reason perceived by the consumer.

Under category of others (18.3%), respondents who choose Volvo, almost all of them said safety is the reason. As for BMW, preference seems to be

the reason and for Mercedes, respondents stated confidence as the reason.

Chart 4

Results of cross-tabulation between reasons of purchasing luxury car with brand association in term of self-enhancement.



This result supported our study proposition whereby we states that consumer consume luxury goods is viewed as a signal of status and to impress others of their achievement in the society.

A cross-tabulation was run to analyze relationship between type of cars choose by respondents with the image they associate with the car. It was found out that Mercedes was number one in term of **status** image followed by Volvo and BMW. Surprisingly, Audi is associate more towards **self-indulgence**. However, it cannot be denied that self-indulgence is by itself a motivation to conspicuous display.

A chi-square analysis was run to see if there is any significance difference between the three major ethnics in choosing type of luxury car. Results show a non-significance value of 0.489. This will allowed us to conclude that there is no difference among the major races in their preference for luxury car.

A chi-square analysis is also run to see any differences between sexes in their preferences of luxury car. The results also give a non-significance value of 0.833. With this we may draw a conclusion to says that, in terms of preferences for type of luxury car, both sexes as well as the three major races in Malaysia do not different much.

However, looking at the reason of purchasing a luxury car, we found a significance difference between the three major ethnics. The chi-square results show a significance value of 0.044.

Table 5

Reason for purchasing luxury car between ethnic

Reason/ Ethnicity	Self-Indulgence	Prestige	Status	Social Goal
Malay		40%	50%	
Chinese	31%	14.3%	28.6%	26.2%
Indian		50%	37.5%	

As shown in the table above, Malay will choose **status** as the main reason of buying a luxury car, whereas majority of Chinese respondents says **self-indulgence** is more important in their decision of buying luxury car. As for the Indian, **prestige** is more important.

From the below table 4C, we are trying to categorize the variables and by using the measurement value of 0.5, we managed to identify those variables which are more than 0.5 to be used for categorization purposes. Looking at the coloured value, we managed to label component 1 as "**Uniqueness**", component 2 as "**Status**", component 3 as "**Vanity**" and component 4 as "**Quality**".

Table 6
Satisfaction From Driving A Luxury Car

	Component			
	1	2	3	4
Pleasure	-3.361E-03	-7.431E-02	.820	8.575E-02
Aesthetic	7.164E-02	.143	.853	8.799E-02
Brand	.593	9.404E-02	.553	2.184E-02
Quality	-2.608E-02	-4.269E-02	.131	.906
Technical Superiority	.243	.117	4.773E-02	.868
Country of Origin	.677	.329	-7.486E-02	9.782E-02
Price	-2.809E-02	.609	-.179	.183
Prestige	.415	.677	.424	-7.134E-02
Status	.427	.787	.171	-1.122E-02
Social class	.335	.777	.114	-7.858E-02
Distinctiveness	.611	.244	.350	.234
Limited Edition	.869	.213	-2.306E-02	7.362E-03
Exclusivity	.884	.112	.112	7.929E-02
% of variance	38.33%	14.06%	11.631%	8.319%
Cumulative variance	38.3%	52.39%	64.02%	72.348%
Label	Uniqueness	Status	Vanity	Quality

By using the above category, we run a cross-tabulation with the type of cars to see the degree of uniqueness, status and quality among the four types of car mentioned. As shown on the table 4D below, only variable status gives a significance value of 0.054. It shows that there is a significance difference between how respondents perceived the image of status projected by the four types of cars. BMW was perceived to have higher status image among the four types of car. However, in terms of

quality and uniqueness, there is no significance difference among the four types of car.

Table 7

Chi-Square Results Between Perceived Quality, Status, Uniqueness Among The Four Types of Car.

	Significance value Quality	Significance value Status	Significance value Uniqueness
Audi, BMW, Mercedes, Volvo	0.407	0.054	0.147

Table 8

Correlation on perceived status, perceived uniqueness and perceived quality of Audi, BMW, Mercedes and Volvo among the respondents.

	Status	Quality	Uniqueness	Type of cars
Status		0.332	0.000	0.045
Quality	0.332		0.073	0.843
Unique	0.000	0.073		0.095
Type of cars	0.045	0.843	0.095	

From the above table, we observed there are correlation between perceived status with perceived quality and type of cars choose by the respondents. With this we may conclude that, if the car were perceived to have high level of status image, therefore the perceived uniqueness of the car would be also high as it show the highest correlation value of 0.519

with significance value of 0.000. There is also a correlation between type of car choose by the respondents with how they perceived the level of status of their choice as it shows a significance value of 0.045.

A T-test was run to see if there is any significance difference between the four types of car with the criteria of cars for satisfaction. Between Audi and BMW it was found that there is significance difference in terms of the name by itself (0.002), quality (0.007) and pricing (0.051). In term of brand name, BMW was perceived to have higher image for luxury compare with Audi. However, comparing in term of quality, Audi is perceived to have higher quality than BMW. On the pricing factor, even though there appear to have a difference between Audi and BMW, yet the BMW is view to be slightly more expensive than Audi, eve though that might not be the case. But that is what perceived by consumer.

Between Mercedes and Volvo, however the researcher found out that there appear to have significance difference among variables *pleasure, aesthetic, quality, technical superiority and pricing*.

Table 9

Satisfaction from driving between Mercedes and Volvo

	Type of cars	Mean	Significance
Pleasure	Mercedes	4.5000	0.007
	Volvo	3.6670	
Aesthetic	Mercedes	4.2000	0.013
	Volvo	4.0000	
Quality	Mercedes	4.7000	0.034
	Volvo	5.0000	
Technical superiority	Mercedes	4.3500	0.003
	Volvo	5.0000	
Pricing	Mercedes	3.6000	0.017
	Volvo	5.0000	

From the above table, in terms of pleasure and aesthetic value, Mercedes seems to have higher pleasure and aesthetic value compared to Volvo. However, in terms of quality, technical superiority and pricing, respondents perceived Volvo to be better than Mercedes.

Table 10

Satisfaction from driving between Audi, Mercedes and BMW

	Type of cars	Mean	Significance
Quality	Audi	4.8667	0.044
	Mercedes	4.7000	
Brand name	BMW	4.2273	0.015
	Mercedes	4.0500	
Status	BMW	4.0455	0.038
	Mercedes	3.7500	

From the above table, there is a significance difference between Audi and Mercedes in term of quality. Audi is perceived to have higher quality than Mercedes. As for BMW and Mercedes, only variables *brand name* and *status* show a significance value of 0.015 and 0.038 respectively. BMW is perceived to have higher brand name and status image compare with Mercedes. Not surprisingly as majority of our respondents choose BMW as their choice of luxury car.

A reliability analysis was performed to test the reliability of the variables used in measuring level of status, quality and uniqueness of luxury car and whether it was a reliable study. By comparing the alpha value of the study, which was 0.8648 with 0.5, we may say that this is a reliable study.

Table 11
Satisfaction from driving

	Alpha if deleted
Pleasure	0.8711
Aesthetic	0.8628
Branding	0.8515
Quality	0.8696
Technical superiority	0.8636
Country of origin	0.8505
Expensiveness	0.8758
Prestige	0.8454
Status	0.8457
Social class	0.8534
Distinctiveness	0.8497
Limited	0.8430
Exclusivity	0.8419
Unique	0.8488

Alpha = 0.8648

From the above result, basically all items are important in contributing to the satisfaction derived from driving a luxury car. From the above alpha value we noticed that item expensiveness is not an important criteria because the alpha value increase from 0.8648 to 0.8758 if the item is deleted. Meaning that, the ability to pay for higher price will no longer be a measurement of one's wealth and status. This supported the current trend of wealthy people whereby they are more comfortable in utilizing other method to describe their financial status rather than any words that talked about the amount of money. They prefer the word of "**comfortable.**" A recent study by a US based company; Applied Research & Consulting found that people favor the term "comfortable" to describe their financial status. 43% of the respondents wanted to call themselves "comfortable", rather than those traditional terms such as "affluent", "wealthy" or "well off."