

5.0 RECOMMENDATIONS AND CONCLUSION

5.1 Conclusion

As we know that products can be seen as yielding 3 types of value: instrumental, symbolic and hedonic value. Automobile has long been known to be one of the many items used by people to symbolize prestige and status.

As seen by Richin, materialism is a value whereby it belief that one's success can be measured by the things that we owned. People tend to use consumption as a reward to themselves.

It needed to be stated here that results of this study is based on a relatively small sample. As such, it should not be taken as a definite conclusion, which represent the whole population. However, it can be a basis for further study.

The objective of this study as stated before is to seek to understand the conspicuous consumption behaviour of consumer as a whole and particularly in the automobile field. It is hope to shed light on how consumer perceived that automobile could give symbolic meaning to them. Four types of brand is use in this study, Audi, BMW, Mercedes and Volvo, which represent the luxury car segment in Malaysia.

From the result of the study, we may conclude that it supported our proposition in saying that the consumption of luxury goods is viewed as a signal of status. Four categories of variables were used to distinguish the four cars apart, namely, status, quality, uniqueness and vanity. BMW top the list of high status as it was perceived to have higher image of status by our respondents and for those who look for safety are likely to purchase

Volvo. Quality is another important factor and from the result, Audi and Volvo seem to be perceived of higher quality than Mercedes and BMW.

BMW is more popular among the younger generation. This is properly due to the car design, which is sportier compared with Mercedes or Volvo. Only recently the maker of Mercedes and Volvo are trying to target to younger market with their new design, which is sportier, and produce model, which is more affordable to more public. This is because luxury car market realized that over the year, the market of luxury goods has changed considerably, but under the influence of two major interrelated factors i.e. Many luxury goods companies started to diffuse and "accessories" their brands making them accessible to much wider public. Secondly, many consumers who were traditionally excluded from the market expressed the desired to acquire luxury items. This group of market is actually much wider.

There is an argument that luxury consumption behaviour can fulfill certain set of functions in different situations. Consumers were believed to be relatively easy to segment them in terms of this element for luxury items. Two broad clusters have been identified by Dubois & Laurent: -

1. The Excluded, who has no excess to this market but who, in most countries, included a vast majority of the population.
2. The group called "Affluent" who either inherited their money or who owns it by their own ability had both the desire and the financial ability to indulge in conspicuous consumption.

According to Dubois & Laurent (1994) in their research based in French, found that almost 75% of those who voiced an opinion agreed with this statement, "Today, everyone should have access to luxury goods."

In 1993, Dubois & Duquesne conducted a research, which reported that over the last 2 or 3 years (depending upon the product category) one European out of two had acquired at least one luxury product.

Our result of the study also shows the trend of self-indulgence quite prominent as it comprise of 23%, which is actually the same percentage as prestige. In another question whereby respondents were asked why do they choose the particular car, 50% of our respondents give an answer of self-enhancement. This is actually correlate with a recent research in the West, which has shown that in line with the general decline of "status-seeking" motive, the growing self-indulgence trend has increased especially in the Western societies. It was argued that the forces underlying the conspicuous consumption have shifted from an interpersonal to a personal nature. More and more people seem to buy luxury goods to gratify themselves rather than to impress others.

The development of luxury consumption is likely to continue and gain momentum worldwide as previously communist countries turn to capitalism and as formerly third-world economies become more affluent. The economic growth has help to increase the number of consumers able to enter the market for luxury products. So it is not surprising that luxuries are a big business. In 1991 a worldwide study of 14 product categories, Mckinsey & Co. estimated that the luxury goods market was around \$60 billion. (Dubois & Duquesne, 1993)

5.2. Recommendation

a) Segmentation

Segmenting will help marketer to reach their target market more effectively and efficiently. There are four classifications of segmentation variables for consumer markets:

1. the characteristics of the person
2. the nature of the situation in which the product or service is purchased
3. geography
4. the culture and subculture adopted by the consumer

Demographic characteristics, including age, sex, income, marital status, occupation and ethnicity can have two important uses in the segmentation process. Firstly, they can be used to describe various subcultures whose members share certain values, needs, rituals and behaviours. For example in our study, it reveals that BMW is preferred by younger generation and more preferred by female. As for male, their preference are more towards Mercedes and BMW as well. As for ethnic, even though there appear to be no significance difference in their preference, but we may states that the results reveal that Chinese consumer prefer BMW and Malay consumer prefer Mercedes. The study also reveals that "price" is not so important when it comes to purchasing of luxury automobile. As the reason is more towards "status", "prestige" and "self-indulgence", consumer who can afford to purchase a luxury automobile is more concern about the symbolic message they can derive from it rather than the price.

b) Product Positioning.

Through product positioning, marketer influences how consumers perceive a brand's in relative to its competitor. The goal of product positioning is to influence demand by creating a product with specific characteristics and a clear image that can help to differentiate it from competitors.

Audi is perceived to have better quality and BMW is perceived to have higher status image. With this, marketer for Audi should try to design their marketing mix so as to emphasize the criteria through advertising and as for BMW, they should keep on continuing in positioning their automobile at the higher level. As suggested by previous research, these car maker can actually engaged in something more personal as people nowadays prefer to be known as having comfortable lifestyle. Advertising or any promotion carried out should target in changing consumer mind-set. Mercedes-Benz has actually engaged in this type of advertising as we can see in their North America's tagline "Live A Lot".

Audi is perceived to have the lowest level of prestige among the four cars due to their pricing. Consumer finds it to be the cheapest among Mercedes, BMW and Volvo. Audi can reposition its brand, by emphasizing on the quality of the car or special information about the high performance would be more appropriate to reinforce the overall prestige image.

A specific positioning strategy would be more appropriate. In specific positioning, company seeks to create in consumers' minds strong linkages among the product, certain key attributes, and benefits. In this approach

the goal is to differentiate the brand's qualities from their competitor without mentioning other brands specifically.

c) Product Differentiation

As for product differentiation, it was aim to position a brand so that consumers perceive meaningful differences between it and its competitors. As the results shows that there is no differences in term of uniqueness among the four-luxury car, marketer might want to emphasizes and promote a special edition or limited number of cars available. Marketer can even try to cater to their customer special requirement in term of the accessories. As we know that consumer who looks for unique value, their motivation is the snob effect. What they consume or purchase can be influenced by what others think. This group of consumer will see any scarcity of particular brand or product as prestigious and the lesser people possess the brand the more prestigious is the brand.

d) Comparative advertising – across classes within the same product category.

These associations may help to benchmark judgments by creating improved perceptual locations for the sponsor's automobiles. For example, Audi can compare their aesthetic value and prestigious value with Mercedes or BMW while at the same time denoting relatively lower price. All these associations and or comparisons may result in greater perceptual proximity between a brand and a targeted anchor despite their price differentials thus crating a value perception.

Within category comparative advertising using partial association mode, selected attributes other than a brand's price are associated with a more prestigious exemplar in a higher class for the purpose of creating a value perception. The benchmark does not have to be a redundancy of the more prestigious brand, but rather an enhancement of its current position/graded structure (Barsalou, 1985)

The rationale behind this strategy based on assimilation theory and the use of anchoring effect to help create differentiation within the product class in which the sponsor currently resides.

Anchoring effects can be used in the realm of price-related dimensions and the use of price to create value perception. The latter of course, is essential for competing successfully in a value conscious environment. Price is another factor which may contribute to the perceived status value of a brand. Also, comparative advertising is particularly suited to the study of anchoring, as according to Rose, Miniard, Barone, Manning, and Till, (1993), such advertising possesses the ability to encourage a particular point of view.

The opposite strategy would be one that holds the selling price the same and seeks to enhance the judgment value of a brand through the use of reframing, thus creating a value perception. This is the area of value generation that particularly suits across-class comparative advertising. As indicated a perceptual movement of a brand toward a more prestigious brand may result in a new benchmark or judgment value that becomes integral to the price impressions that are formed.

e) Country of Origin

Country of origin has been identified in the literature as an important cue that might be used by global marketers to influence consumers' valuation of the brand. Its effect on consumer perceptions, affect and behavioural intentions has been widely documented based on consumer surveys and laboratory experiments. The effect of the country of origin of brands on consumer behaviour has been one of the most researched issues in international business (Peterson and Jolibert, 1995) Researcher has been examining the effect of country of origin on consumers' overall evaluation of product quality, beliefs regarding individual attributes of a product, attitude towards a brand, and behavioural intention. Research by Leifeld, 1993, Peterson and Jolibert, 1995, Samie 1994; Verlegh and Steenkamp, 1999; have come to a conclusions that country of origin has a significant effect on consumers' evaluations of products and that consumers tend to use COO as an extrinsic cue to make judgment about the quality of products. These are images of quality of specific products marketed by firms associated with different countries (Heslop and Papadopoulos, 1993; Johansson and Thorelli, 1985) An example of such product – country images is German automobiles. Due to the country images hold by consumer and their sensitivity to COO, it is believed that COO can be used as a way to enhancing brand equity. If consumers hold a positive (negative) product country images for a given product and country, this image could lead to a generalized positive (negative) evaluation and attitude towards all the brands of a product associated with that country. One of the consequences of brand equity is that the brand may command premium prices. (Aakar, 1996; Keller, 1993).

f) Pricing

Pricing decision is probably one of the most critical in marketing strategy. In a study of CEO perceptions of 11 marketing strategies, they ranked "pricing strategies" second only to "customer relations" as sources of corporate growth and profits (McDaniel and Hise, 1984). Upscale pricing strategies, variously referred to as "prestige pricing", "premium pricing", "symbolic pricing" and "exclusive pricing", are viewed as excellent strategies for certain types of products, typically those of high quality (Hatten, 1982; Murphy and Enis, 1986; Peters and Austin, 1985)

Prestige pricing is commonly found for luxury products such as furs, jewelry or automobile. This strategy seeks to position the brand as an "exclusive" product. According to Veblen, consumer who perceived a conspicuous value will use price as an indicator of prestige, because their primary objective is to impress others.

Price besides indicating a higher prestige value may be used as a cue for higher quality too. Price itself can be one of the factors, which reinforce a positive, even exclusive, brand image in the mind of the customer. Previous marketing literatures recommend the use of "prestige-pricing strategy" when appealing to status-conscious consumers and we know that majority of our respondents choose status as the reason of them purchasing a luxury automobile.