ABSTRACT

Comparative Analysis of Luxury Automobiles Purchases in Karnataka: With the View of Product Differentiation and Perceived Value

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This research examines consumer reactions to three common positioning strategies used for luxury items: a specialized-positioning strategy in which an option is described by a single feature, an all-in-one strategy in which an option is described by a combination of features and an abstract or subjective positioning strategy in which an option is described in abstract or subjective terms.

A total of 100 respondents from Karnataka, India, participated in this study. When considering sample characteristics in this study, it is important to note that possible lack of representativeness was observed and considered as one of the limitations. The sample included a higher percentage of men than women, and married people with children living at home were the largest group as well. About 64 percent of the sample population was male, and about 35 percent of the sample population were married with children living at home. In the survey sample the age range is spread fairly evenly. Almost 8 percent of the participants are 18-24 years old, about 23 percent are 25-34 years old, about 22 percent are 35-44 years old, about 21 percent are 45-54 years old, about 19 percent are 55-64 years old and about 7 percent are 65 or older. About 45 percent of the sample is between 25-44 years old.

The empirical data reported in this thesis demonstrate that a product specializing in an all-in-one option is perceived to be superior to the other positions even on the attributes relative to the other options; even when this attribute is exactly the same for the other options. It is further shown that the zero sum heuristic does not hold for the perceived value of luxury products.