

CHAPTER III

RESEARCH METHODOLOGY

Research Methodology is a systematic plan for the research (Chandra and Hareendran, 2018). This chapter outlines a framework for the research methods and procedures adopted to achieve the goals of the study. The research methodology is a vital aspect which directs the outcome of the proposed research. It includes the area selected for the study, sample selection, methods for collecting the data and the statistical techniques applied for analysis of data and testing the hypotheses. The methodology adopted for the study is presented below:

3.1 RESEARCH DESIGN

Locale of the Study

The study is conducted in Ernakulam District in the State of Kerala, India. According to the per capita Gross State Domestic Product (GSDP) estimates of 2020-21, the State of Kerala continues to be comparatively a high-income state with the average income per person being 1.5 times the All-India Average. Kerala is the state with the leading NRI remittance in India (Economic Review, 2021). About twenty of the world's billionaires hail from Kerala, and a large number of Emerging HNIs have built up their base from Gulf nations and the state occupies the position of highest receiver of overall remittances to India (Shibinu,2022). The state of Kerala witnesses outstanding rise in the number of emigrants, excellent growth in total remittances, and an impressive increase in consumption and savings,Kerala has become one of the high-income and high-consumption states in India (Kannan and Hari, 2020).

As the level of income increased through business and profession, spending habits and investing in luxury goods have also increased considerably. It provides market scope for luxury cars in Kerala. Attracting this high-income category of customers and developing loyalty to the brand are the most crucial factors for vehicle companies. Hence the study aims to describe the perception of EHNIs towards the brand loyalty of the luxury segment of cars and to analyse the factors influencing their brand loyalty towards the vehicle companies.

As the number of High Networth Individuals (HNIs) and Emerging High Networth Individuals (EHNIs) is increasing day by day, Kerala is now a strong market for luxury

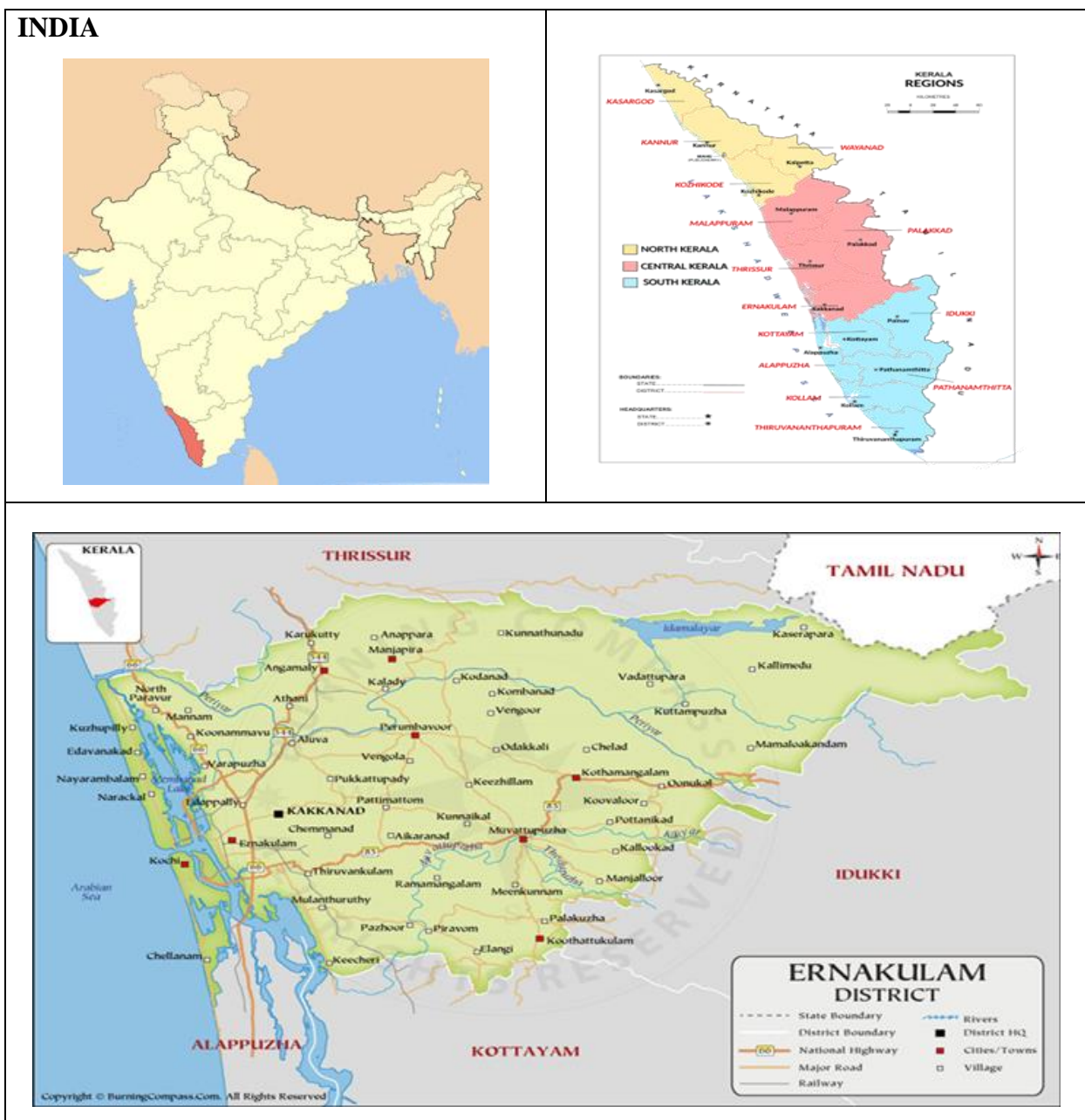
vehicles. Hence, Ernakulam District in the state of Kerala, which is the hub of the luxury car market is selected as the locale of the study purposively.

High Net worth Individuals (HNIs) are set apart from other retail categories by their net worth, assets, and investable excess. According to World Wealth Report (2015), High Networth Individuals (HNIs) are classified based on their Netwealth and investible surplus as Millionaires Next door (USD1million –USD 5million), Mid-Tier millionaires (USD 5million – USD 30million), and Ultra HNI(USD 30 million+). As per World Wealth Report (2020), there are 2,63,000 HNIs in India in 2019, as it was 2,56,000 in the year 2018. As per Karvy Private Wealth(2019), A person is classified as a High Networth Individual (HNI) if they have more than ₹ 5 crore in investible surplus, and as an Ultra HNI if they have more than ₹ 25 crore. According to Kredx-Invoice Discounting Services (2017), those individuals who own more than ₹ 2 crores investible wealth are classified as High Net worth Individuals (HNI), while those having investible wealth between ₹ 25 lakh - ₹ 2 crores are referred as Emerging High Networth Individuals. High Networth Individuals (HNIs) are mainly divided into two categories namely the Self-Made HNIs and Inherited HNIs. People from diverse backgrounds who have earned their own wealth through large salaries, bonuses, stock options, and other assets are included in the category of self-made HNIs; they started their own businesses and ventures and amassed significant wealth. Those who have inherited money or enterprises are known as inherited HNIs. The number of Emerging High Net worth Individuals are growing fabulously in India. This category constitutes Entrepreneurs, NRIs, and highly salaried professionals such as Doctors, Chartered Accountants and Architects.

The Indian HNIs invest in luxury goods and services as part of their self-actualization. India is a promising market of luxury car due to the growing number of high networth individuals. This provides scope for luxury brands, especially in vehicle industry. The automotive market is one of the most advanced markets in the Indian retail sector. Growing variety in the car makes and models increases manufacturer competitiveness and elevate brand loyalty to a critical differentiator in the market (Jorgensen et al.,2016). Fifty more varieties of luxury cars from various manufacturers are available in India. Mercedes Benz, Audi, BMW, Lexus, Volvo, Jaguar, Land Rover, Porsche, Bentley, Rolls-Roice are the top ten among them. As per the new norms of Society of Indian Automobile Manufacturers (2011), Passenger cars in India are classified into six categories on the basis of the length. They are Mini (Up to 3400mm), Compact (3401-4000mm), MidSize (4001-4500mm), Executive (4501-4700mm),

Premium (4701-5000) and Luxury(5001mm and above). Nunes, et al (2016) defined luxury car as ‘the segment in the automotive industry which seeks to win customer orders through superior design, engineering and image by offering differentiation beyond customers’ standard mobility needs and exclusiveness of the items.

Figure 2 Geographical Location of the study area



Research Methods

The study uses quantitative research method with both descriptive and analytical in approach. Descriptive research design provides for describing the characteristics of individual

or group. Analytical research methods enable the testing of hypotheses and examining relationship (Chandra and Hareendran, 2018).

Population and Sampling Strategy

Sampling method involves identification of population, determination of sample size and the selection of sample elements (Chandra and Hareendran,2018). It is the selection of adequate number from the population, which helps to identify the features of population and generalize the results.

In tune with the objectives, the target population of the study is the owners of luxury cars, who are in the large income bracket of Emerging High Net Worth Individuals.

The sample respondents were identified from the database collected from the dealers of luxury cars. The luxury car owners who are ready to participate and willing to provide data were recognized as the sample.

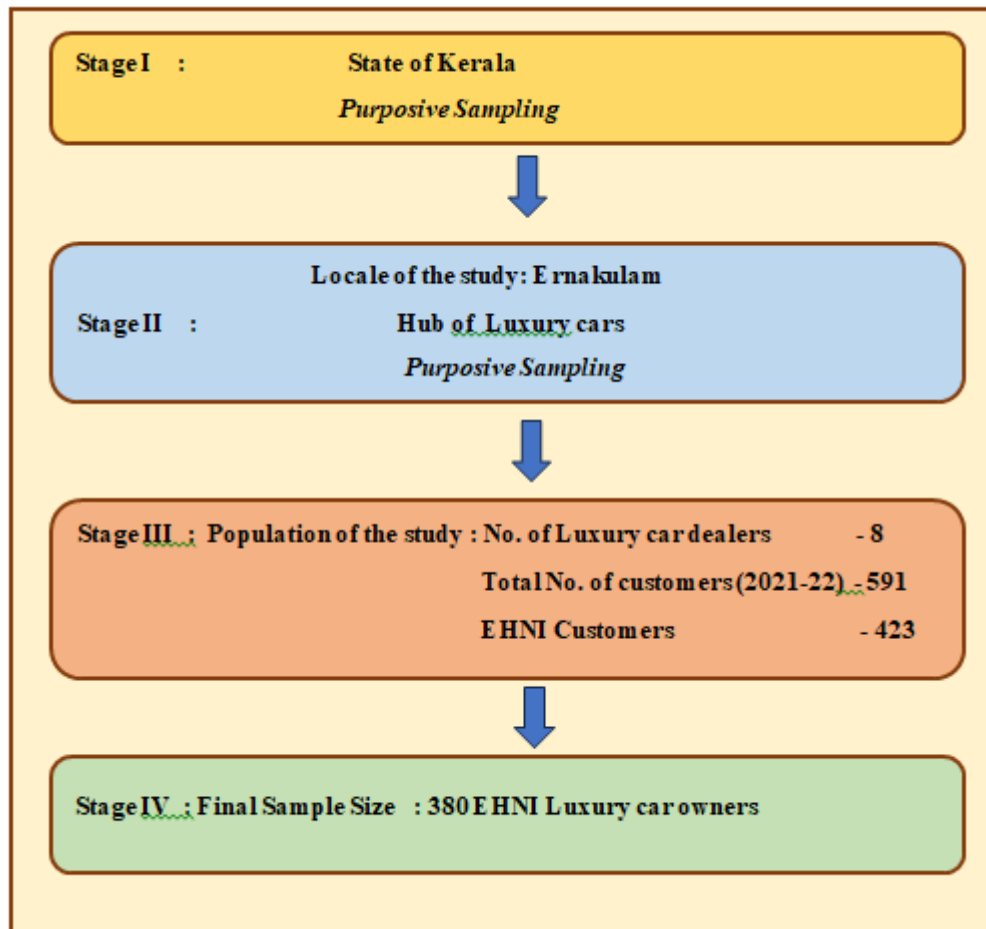
For the purpose of the study, the multi stage sampling technique was adopted to select the sample respondents. In the first stage, the state of Kerala is selected through purposive sampling as the number of Emerging High Network Individuals are high in the state. In the second stage, of the 14 districts of Kerala, Ernakulam district, the hub of luxury car market is selected purposively as all the luxury car brands namely BMW, Audi, Mercedes Benz, Toyota, Porche and Volkswagen have dealers in this district. In the third stage, the details of the Emerging High Network Individuals, who have purchased luxury cars during the year 2021-22 were collected from those eight dealers, totally 591 customers who have purchased luxury cars during the year 2021-22, out of which 423 are EHNI's who constitutes the population of the study. Thus, Census Method was adopted to arrive at the sample respondents. The questionnaire was administered to all the 423 EHNI customers. Due to partial responses and unwillingness to respond, the final sample resulted with 380 valid responses. Hence the final sample resulted with 380 EHNI customers (Table 3.1, Figure 3)

Table 3.1 Determination of Sample Respondents

Brands of Luxury Car	No. of Dealers	Total No. of Buyers	EHNI Customers
BMW	1	104	96
Audi	1	87	76
Mercedes Benz	1	119	83
Toyota	2	202	109
Porche	1	23	21
Volkswagen	2	56	38
Total	8	591	423

Source: Compiled data

**Figure 3 Sample Design
(Multi Stage Sampling)**



Sources of Data Collection

Primary and secondary data were used for the study. The primary data were collected using well-structured questionnaire. The secondary data were employed to reinforce the empirical findings of the proposed study, obtained from the previous studies, journal articles, textbooks, newspapers, reports, conference proceedings and official websites.

Tool for data collection

The questionnaire for the study designed on the basis of literature review. The questionnaire includes six sections. The first section covers the respondent’s socio-economic profile. Second section relates to the details of the luxury car owned by the EHNIs. The third section includes statements about the perception of the respondents towards marketing mix elements. The fourth section contains statements to elicit responses

of sample respondents on the variables like Brand Trust, Brand Image, Brand Experience, Perceived value, Product Differentiation and Brand Positioning of luxury segment of cars. Fifth Section includes the items related to the satisfaction levels of the respondents about the luxury cars owned. The sixth section deals with the attitudinal and behavioural loyalty of select EHNIs about the brand of luxury cars owned by them. The items evaluated using a five-point Likert scale with agreement levels, ranging from strongly disagree to strongly agree. The study constructs and the corresponding sources were displayed in table 3.2.

Table 3.2 Research Constructs of the study and Sources

Research Constructs	Sources
Brand Image	Jung et al.(2020). Foroudi et al.(2018)
Brand Trust	Sahin et al.(2011), Shirin and Puth (2011), Zhang et al. (2020), Jung et al.(2020).
Brand Experience	Sahin et al.(2011).
Perceived Value	Chung and Kim (2020), Nikhashemi et al.(2016), Hassan (2015).
Product Differentiation	Aaker and Moorman (2017), Reddy and Kavitha (2019), Atulkar (2020).
Brand Positioning	Fuchs and Diamantopoulos (2010), Azmat and Lakhani (2015), Akbari et al.(2020)
Customer Satisfaction	Sahin et al.(2011)
Brand Loyalty	Nikhashemi et al.(2016), Li and Petrick (2008), van Asperen et al.(2018) , Sahin et al.(2011), Shirin and Puth (2011).Zhang et al.(2020), Foroudi et al.(2018)

Source: Compiled data

Collection of Data

The period of the study was from April 2023 to September 2023. The time duration of 15 minutes was taken by respondents to fill the questionnaire.

Pre-Testing and Pilot Study

A pre-test was conducted to identify the lacunas or deficiencies in questionnaire and to make appropriate corrections. Pilot study with a convenient sample size of 50 luxury

EHNI car owners were carried out to verify the order, clarity and phrasing of the questionnaire, and to identify the response time. Appropriate statistical analysis was done to find the relationship between the variable to arrive at the desirable outcome. Hence the questionnaire was finalized and these 50 responses were excluded for final analysis.

Validity and Reliability

Quality of a research is ensured through its validity. The measurement items were adopted from the past literature and modified according to the aim of the study and the questionnaire reviewed by the subject experts, statistical analyst and professionals in luxury market. Accordingly, changes were made and the questionnaire was finalized. Thus, ensuring the construct and content validity of questionnaire.

Reliability refers to the accuracy and consistency of the measurement scale used in the collection of primary data. Reliability and internal consistency is tested through Cronbach alpha values . The alpha value greater than 0.70 is approved as reliable (Nunnally and Bernstein, 1994). Uraschi et al.(2015) proposed that the alpha value of 0.60 to 0.70 is acceptable. The reliability score for the study constructs are presented in table 3.3.

Table 3.3 Reliability Coefficient

Constructs	Cronbach Alpha Value
Brand Trust	0.843
Brand Image	0.892
Brand Experience	0.882
Perceived Value	0.921
Product Differentiation	0.873
Brand Positioning	0.872
Customer Satisfaction on Technical Attributes	0.873
Customer Satisfaction on Non-Technical Attributes	0.890
Customer Satisfaction on Dealer Service Quality	0.862
Attitudinal Loyalty	0.932
Behavioural Loyalty	0.863

Source: Computed data

3.2 DEVELOPMENT OF CONCEPTUAL FRAMEWORK

The conceptual framework provides direction to the study and helps to understand the relationship between variables. From the literature reviewed and based on (i) the Stimulus -Organism -Response Model(S-O-R) and (ii)Social Exchange Theory (SET) the theoretical framework has been proposed to determine the influence of various brand related attributes on Customer Satisfaction and Brand loyalty.

The Stimulus -Organism -Response Model (S-O-R) developed by Mehrabian and Russell (1974) describes the link between stimulus, organism, and response. A stimuli is the external world of the customer, the organism of the customer perceives, interprets, and processes stimuli to produce responsive behaviour, such as the formation of purchase intentions and loyalty (Anisimova et al., 2019). Based on the initial internal emotional response, customers react to the provided cues or stimuli (Uzir et al.,2021).

The ultimate reaction of the customer is demonstrated by their positive or negative approach to the stimulus, i.e., by their avoidance of the brand or loyalty to the brand (Chen and Yao, 2018).

The Social Exchange Theory (Blau,1964) serves as the foundation for many studies that have been recognized for their ability to elaborate on brand loyalty in the automotive industry. SET clarifies the relationship that exists between customers and providers of products or services and how it influences the outcomes. Customers who are pleased with the products or services of the company feel obligated to respond by increasing their trust in the brand or the products (Chiu-Han and Sejin, 2011; Alfakih et al., 2022). Social Exchange Theory is based on the claim that exchange is a social behaviour in which participants give and receive material and immaterial sources of value with the hope that their actions will be rewarded. In addition to being monetary gains, the rewards can also be social results like praise from others or satisfaction from the market (Davis-Sramek et al., 2022)

The model for the study describes the independent variables (Stimuli), includes brand image, brand experience, perceived value, product differentiation and brand positioning. Brand loyalty (Response) comprises of attitudinal and behavioural loyalty identified as dependent variables. Further, customer satisfaction (Organism) mediates the relationship between independent and dependent variables and brand trust moderates the association of customer satisfaction with brand loyalty. Figure 2 depicts the list of variables incorporated in the model.

Figure 4 Variables Identified

Independent Variables	Mediating Variable	Moderating Variable	Dependent Variable
Brand Image	Customer Satisfaction	Brand Trust	Brand Loyalty
Brand Experience			
Perceived Value			
Product Differentiation			
Brand Positioning			

Independent Variables

In the present study, the luxury car purchased by EHNIs involves the influence of Brand Image, Brand Experience, Perceived value, Product differentiation and Brand positioning which were identified as independent variables.

Brand Image

Brand image is the symbolic significance attached to particular brand characteristics, it is the customer's cognitive image, or the culmination of their ideas, perceptions, and beliefs around a specific product or item (Lu et al., 2007; Jung et al., 2020)). It is a set of perception reflected in customers intention and brand equity (Wang et al., 2018). Brand image comprises of customers' perceptions and trust towards a brand, which reflected the association that the brand has with their memory (Kotler and Keller, 2016). This set of beliefs plays a crucial role when customers are weighing their options in their decision-making process. It is a depiction of the general impression of the brand and is based on data and prior brand experiences. Brand attitudes and brand preferences are linked to the brand's image. Positive brand image will increase a customer's likelihood of making purchases (Chen et al., 2021). Thus, amalgam of brand connections, such as features, advantages, and general perception of the brand, makes up brand image. Customers' behavioural intentions are consequently influenced by this connection to the brand (Bakri et al., 2020).

Brand Experience

Brand experience is generated when customers using the brand, referring to it to others, and actively seeking out brand news, events, and promos (Ambler et al., 2002).

According to Alloza (2008), It is the customers' perception of the brand at every point of interaction, including initial personal contact, levels of quality regarding personal care, or brand image portrayed in advertising. Brakus et al (2009) proposed four types of experiences namely sensory, affective, intelligent and behavioural and these can arise in a variety of circumstances. Direct experiences occurs when customers looking for, buying and using the products. Customers have indirect experiences when they are exposed to marketing and advertising materials provided online and websites. The brand-related stimuli through colours, shape, design, packaging, advertising, brochures, websites etc. contribute to customers' subjective, internal reactions, which refer to as their brand experience (Mandel and Johnson,2002; Schmitt, 2012).Positive brand experiences makes customers feel more confident about themselves and reaffirm their identities, which in turn improves their bonds with the brand (Fritz et al., 2017). Thus, the brand experiences captures how customers view a product or brand, which provides a comprehensive way to understanding customer behaviour (Andreini et al., 2018; Saari et al., 2020).

Perceived Value

Perceived Value is the total assessment of the customers regarding the store's functionality, product, and brand image, which is the perception of what they have received and provided (Zeithaml, 1988; Hamilton-Ibama and Ogonu,2022). The perceived value has been identified as per two motives. One is functional motives, related to practical needs like quality, price and convenience, and the other is non-functional motives, associated with psychological and interpersonal needs (Chen and Hu, 2010). The previous research used perceived value as the fulfilment of expectations of customers from a product and the gain they derive out of it(Carroll et al., 2002; Moorthy et al., 2018; Uzir et al., 2021). It is a multi-dimensional concept comprises economic, social, hedonic, symbolic, epistemic and altruistic values (Ahn and Kwon, 2020; Hasan, 2022); which explains customer behaviour and intentions toward brands and companies in the future and helps to evaluate a client's total situation on their entitlements and obligations (Molinillo et al., 2021).

Product Differentiation

Differentiation is the exceptionality of the brand which takes to stay special from the competitor brand (Ramaswami and Namakumari, 2013). By identifying distinct demands of the customers, businesses provide product differentiation, primarily for renewable generation (Sorin et al., 2018). Strategies on which marketers differentiate their product

offerings include Tangible and Intangible attributes. Tangible Attributes include functional features, design, styling, customer experience associated with the product, product quality, technology and service support. Intangible attributes include prestige, status, image, beliefs and sentiments (Alderighi and Feder, 2021). Product differentiation helps to gain market share, and the marketers make more asymmetrical price adjustments for their distinct product (Bittmann and Anders, 2020). Continuous differentiation with value addition create strong brands. Differentiation strategies are central to brand and its equity (Gul et al., 2021). A product gains unbeatable strength when it incorporates several differentiators. When such differentiators add value to the customer, the brand succeeds (Gudmundsson, 2023).

Brand Positioning

Brand positioning is the process of using promotional messages to create significant associations in the minds of customers (Heinberg et al., 2017). The marketers decide how and around what parameters, the product offer will be placed before the target customers (Umashankar, 2023). Positioning is the cornerstone of strategic marketing. Effective positioning appeals to customers' requirements, helps to set the brand as focal apart from its competitors and builds consumer-derived brand equity and customer loyalty (Iyer et al., 2019). Products are positioned in several ways depending on what they have to offer, and to whom they are offered; the product offer is positioned in a manner appropriate for the target audience (Kretschmer et al., 2022). Recognizing these features and creatively leveraging them as the platform to display the product are the keys to positioning (Ramaswami and Namakumari 2013). When brands were positioned in a coherent manner, buyers assessed them more favourably (Magnusson et al., 2019). A brand that is strategically positioned should target a certain customer segment in order to generate a differentiation advantage and meet their wants (Mahboobi Renani, 2021).

Mediating Variable

Baron and Kenny (1986) viewed the mediating role as a function of a third variable, functioning as the process by which the dependent variable is molded by the focal independent variable. Hence while analyzing the indirect influence of the independent variable on the dependent variable in the form of the projected mediating construct, the intervening casual effects must be considered (Alfakih et al., 2022). As customer satisfaction found as a successful mediator (Chinomona, 2013), it is incorporated as a mediating variable, which interrelates the independent variables and brand loyalty.

Customer Satisfaction

The primary objective of every business organization is to offer a utility that will create customer satisfaction (Murali et al., 2016). The contemporary marketing idea emphasizes on providing happiness and fulfilment to customers and users in exchange for rising profitability. The management has prioritized customer satisfaction in order to fulfil their needs (Yi and Natarajan, 2018). Satisfaction mediates customers' learning from past experiences and their post-purchase characteristics such as word-of-mouth referrals, repurchase intention and complaining (Wang et al., 2001). A company must put special emphasis on the emotional condition of its clients because customer satisfaction is a component of their mental attitude or mood (O'Dwyer and Gilmore 2018; Yang et al., 2024). The satisfaction of a customer is a psychological attachment that arises from the consumer's internal mindset. It has a significant impact on brand loyalty, and there is a substantial correlation among satisfaction, perceived quality, value, and user experience (Uzir et al., 2021).

Moderating Variable

The effect of exogenous variables on endogenous variable are enforced through moderating variable. Brand Trust is incorporated as the moderating variable in this research to interact the link between Customer satisfaction and Brand loyalty.

Brand Trust

According to Delgado-Ballester and Munuera-Aleman (2001), Brand trust is a customer's sense of security and the extent to which they believe the brand will meet their expectations. It also implies the customers' expectations of a particular degree of performance from the brand. Chatterjee and Chaudhuri (2005) define brand trust as a consumer's faith in a company that is based on its honesty and reliability. Customers gain trust in a brand based on its integrity or social standing and ultimately choose to utilize it. Trust, dependability, honesty, and safety are the instruments used to measure brand trust. Gaining collaborative effort and hardship to achieve a sustained competitive advantage makes brand trust a unique asset (Hanaysha and Abdullah, 2015; Uzir et al., 2021). Establishing brand trust is therefore essential for businesses in order to boost the possibility of recurrent brand purchases (Arslan,2020).

Dependent Variable

The two key dependent variables of brand loyalty have been identified namely Attitudinal Loyalty and Behavioural Loyalty.

Brand Loyalty

According to Oliver (1997), brand loyalty is “a deeply held commitment to re-buy or patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand purchasing despite situational influences and marketing efforts having the potential to cause switching behaviour”. Fostering and upholding brand loyalty is one of the key marketing tactics for establishing a long-lasting competitive advantage. Brand-loyal customers provide many advantages for a business such as a constant flow of income, lower marketing expenses, lower operating costs, increased revenue per customer, higher referrals and higher price premiums (Kabiraj and Shanmugan, 2011). Customers, who feel a true brand resonance are highly loyal, actively look for ways to engage with the brand, and they have to tell others about their experiences (Alhaddad, 2015). Loyal customers have a strong preference for purchasing and using a specific brand, making it easy for them to remember their opinions and sentiments about it (Eelen et al., 2017). When customers show strong brand loyalty and place a high value on a brand's name or symbol it is a valuable asset, it persuades customers to repeat purchases and spreads goodwill (Kumar and Reinartz, 2016).

Brand loyalty has various dimensions (Aaker, 1997). Brand loyalty is a multifaceted concept, that comprises three dimensions namely the emotional inclination of a customer towards a brand, evaluative tendency and behavioural tendency of a customer towards a brand (Sheth et al., 1991). Khan (2010) distinguished the term brand loyalty into two prime dimensions namely attitudinal loyalty and behavioural loyalty (Yeomans et al., 203). To achieve long-term profitability and a competitive edge, building brand loyalty is becoming increasingly crucial. It is not all about the repetitive purchase but a psychological commitment of the customer towards the brand (Arslan, 2020).

Attitudinal Loyalty

Attitudinal loyalty is the psychological aspect of brand loyalty and it takes into account the unique preferences, promises and buying goals of the customers (Bennett et al., 2014; Pourazad et al., 2020). Attitudinal brand loyalty occurs whenever customers look the

brand as being something exceptional in a broader context, in relation to referring the words like ‘loving’ the brand, favourite possession’ and ‘little pleasure’ (Yoo and Donthu, 2001; Pourazad et al., 2020). Customer passion and long-term relationships as well as positive word-of-mouth can result from attitudinal loyalty, and the customers are generally motivated to pay more for a brand by this psychological process (Ferm and Thaichon, 2021).

Behavioural Loyalty

The behavioural component describes the real behavioural interactions with the brand (Arens et al., 2011). In behavioural terms, loyalty is the actual purchases observed over a period of time (Sharma, 2021). The concept of behavioural loyalty considers loyalty as a proportion of total purchases, buying frequency or likelihood (Sheth, 1968; Kuusik et al., 2009). It is a strong commitment to purchasing continuously a brand in the future as well (Morrison and Crane, 2007; Lee et al., 2019). Behavioural loyalty comprises customer references or recommendations to others (Lee and Wong, 2021).

HYPOTHESES DEVELOPMENT

The model of brand loyalty for Emerging High Networth Individuals draws by identifying relationship from the diverse research. The constructs and their relationships are discussed in the following section.

Brand image and Brand Loyalty

The brand image integrates symbolic and emotional aspects related to a product in addition to functional aspects, which includes 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 to the psychological demands and with the status and prestige of customers.

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). 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 brand loyalty

(Liu et al.,2012; Ahmed and Moosavi, 2013).Brand loyalty is significantly enhanced by brand image (Panda and Misra,2014; Alhaddad,2015; Mabkot and Shaari,2017). 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). Hence it is hypothesised that

H1: Brand Image of luxury car positively influences the Brand Loyalty of select EHNIs

Brand Experience and Brand Loyalty

Brand experience and it's scale development are important for the comprehension and administration of brand trust and loyalty. Customers' behaviour is impacted by brand experience in four ways: sensory, affective, behavioural, and intellectual and these influence their loyalty directly and indirectly (Brakus et al., 2009). Experience on a brand can be positive or negative, short-lived, or long-lasting. Additionally, customer satisfaction and brand loyalty are positively impacted by brand experience (Hwang et al., 2021).

Customer experience is the principal dimension to measure brand equity of the automobile industry. Comprehensive automobile services based on customer experience enhance brand loyalty (Adhikari and Panda, 2019) which draws the antecedents and outcomes of brand experience (Khan and Fatma, 2017). As per these customer satisfaction and brand loyalty, both purchase and attitudinal are the outcomes of brand experience; it is the significant contributor of true brand loyalty among the high involvement segment (Mathew and Thomas, 2018). Brands experience develop long-lasting brand loyalty through brand passion and brand affection (Mostafa and Kasamani, 2021). Brand experience appeared as a notable predictor of brand engagement and brand loyalty among automotive customers (Farhat,2020). Hence it is proposed to test the following hypothesis.

H2 : Brand Experience of luxury car positively influences the Brand Loyalty of select EHNIs

Perceived Value and Brand Loyalty

A Brand offer set of features, are linked with the product of that brand. As a result of these promotions, a customer perceives specific qualities and traits regarding the brand (Severi and Ling, 2013).When such beliefs are validated, they decide to buy goods from the same brand, and their commitment to the brand develops as loyalty (Lam et al., 2004).All dimensions of customer value of luxury fashion brands namely financial, social, utilitarian,

and emotional have impacts on brand loyalty (Kim et al., 2018). Through customer satisfaction, there exists a substantial impact of functional, social and emotional values on brand loyalty (Wang et al., 2004). Monetary, hedonic, and social values affect the loyalty of the customers towards the brand (Kim et al., 2019). Accordingly, all the value dimensions perceived by customers are linked to loyalty.

Perceived value considered as an important predictor of attitudinal and behavioural loyalty (Nikhashemi et al., 2016; Fazal-e-Hasan et al., 2018) and it will be stronger if the acquiring brand from a higher luxury tier (Chung et al., 2019). Kim et al. (2019) drew the importance of the four dimensions of customer perception and behavioural intention and identified the positive effect of functional, hedonic and monetary values on brand loyalty. Consumption, task and mood-related factors are the important factors influencing the perceived values on luxury brands (Rao and Ko, 2021). Extrinsic benefits and hedonic functions of the products lead to perceived values and brand loyalty. While considering the automobile sector, as the purchase decision is a major task for customers, perceived value, value cocreation and price fairness become key determinants of their brand loyalty (Opata et al., 2021). Thus the relationship is tested by formulating the following hypothesis.

H3 : Perceived Value of luxury car positively influences the Brand Loyalty of select EHNI's

Product Differentiation and Brand Loyalty

According to Kotler and Armstrong (2003), Differentiation is to set a company's products by developing a set of significant distinctions apart from those of its rivals. When the customers receive a differentiated product with a collection of features, they particularly value them then they are less sensitive to the pricing, promotional techniques or other offerings of its competing suppliers (Bennett and Rundel-Thiele, 2005). Companies can yield benefits from differentiation strategies through their superior product quality and focus on innovations (Samuel et al., 2017).

Customers accurately observe the product quality and their willingness to pay for the brands differ based on these observed qualities. Companies can employ persuasive advertising and vertical differentiation of their products to establish subjective differentiation and to increase loyalty (Tremblay and Martins-Filho, 2001). Differentiation is the key driver of loyalty and can be formed by including product quality, innovation,

product features and attributes (Reddy and Kavitha, 2019). Visual design and appearance of the products including brand typicality and segment typicality greatly influence customer brand loyalty and brand equity in the automobile sector (Heitmann et al., 2020). Numerous factors can contribute to differentiation, such as product quality, features, innovation, low-cost base, service, distribution and a powerful brand identity. Marketers can boost brand loyalty by utilizing this perceived differentiation (O'Rourke et al., 2022). Thus the relationship is tested through the following hypothesis.

H4: Product Differentiation of luxury car positively influences the Brand Loyalty of select EHNI's

Brand Positioning and Brand Loyalty

According to the literature, positioning is expected to influence customers' preferences and result in increased brand equity, consumer-derived loyalty, and willingness to seek out the brand (Keller, 2003; Fuchs and Diamantopoulos, 2010). Product Positioning provides various kinds of benefits to a company. It makes the entire organization market-oriented, helps to cope with market change, can respond strongly to the competitor, helps to meet customer expectations, attracts different types of customers, creates demand and induces the buyers to buy the products and develop the corporate image of the product in the minds of the target audience (Patankar, 2013).

According to Vriens and Hofstede (2000), positioning strategies such as features, functional, experiential and surrogate positioning highly influence brand loyalty and develop willingness to pay high among customers. Brand positioning significantly influences brand loyalty (Liu et al., 2022). The functional positioning strategies in the automobile sector are related to the process of building brand equity (Heinberg et al., 2020). Brand positioning leads to brand attachment and develops brand loyalty (Ugalde et al., 2023). Hence the following hypothesis is proposed.

H5 : Brand Positioning of luxury car positively influences the Brand Loyalty of select EHNI's

Customer Satisfaction and Brand Loyalty

A highly satisfied customer tends to stay loyal longer, they purchase more when the company upgrades the product and introduces the new products (Rane et al., 2023) They have positive attitudes towards the company. They talk positively, are less concerned about

competing brands, are less sensitive to price, and offer more ideas and suggestions for new products or services to the company (Tungare and Jain, 2023).

The loyalty of a brand is closely linked to customer satisfaction, a favourable correlation exists between consumer happiness and brand loyalty, according to numerous researchers who evaluated various criteria, including brand loyalty (Li and Chaipoopirutana, 2016). In most of the literature, satisfaction was integrated as a key component which leads to brand loyalty. They also examined that the purchase decisions of loyal customers become a habit in nature. Several researchers state that brand loyalty of customers increases with their satisfaction level with the products and services of the company (Bowen and Chen, 2001; Anisimova et al. 2019; Azizan and Yusr, 2019; Diputra and Yasa, 2021). In the case of the automotive sector, customer satisfaction develops brand love and ultimately brand loyalty (Jorgensen et al., 2016; Rodrigues et al., 2023). To summarise it is hypothesized as

H₆ : Customer Satisfaction on luxury car positively influence the Brand Loyalty of select EHNIs

Brand Image and Customer Satisfaction

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). According to Orel and Kara (2014), customer satisfaction is the achievement of the consumer's consumption goal, which shows whether the product or service met the demand and expectations. It is a joyful emotional response to a past event outcome (Mangus et al., 2024).

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). According to Adi and Basuki (2019), the brand image does not significantly improve customer satisfaction; but Iqbal et al. (2018) states that it influences customer satisfaction to some extent. Brand image leads to overall customer fulfilment with sustainable expectation and demand and it has an impact on customer satisfaction (Jung et al., 2020). Hence it is hypothesized as

H7: Brand Image of luxury car positively influences the Customer satisfaction of the select EHNIIs

Brand Experience and Customer Satisfaction

Brand experience provides utility and value to the customers and it leads to satisfaction (Brakus et al.,2009). It has a potential impact on customer relationships and it is an important antecedent of customer satisfaction in the automobile sector (Sahin et al., 2011). Nadzri and Musa (2014) draw special concern to the relationship between customer experience and emotion in national car brand purchases and found that the customers consider the quality of the product attributes with the emotional experience. Brand experience facilitates and develops customer relationships and foster customer satisfaction and loyalty. Strong brand heritage and great brand experiences foster favourable attitudes toward a company and increase customer loyalty (Rose et al., 2016).

Satisfaction and loyalty in the automobile sector are highly influenced by brand experience through the dimensions of sensory, affective, intellectual, behavioural and relational. Brand experience is considered as a key predictor of satisfaction and loyalty(Sayed,2015); and was supported by several literatures (Khan and Fatma ,2017; De Oliveira Santini et al., 2018; Wang et al., 2018 ; Uzir et al., 2021). But as per the results of Almohaimmeed(2020), sensory, emotional, and behavioural were significantly related to customer satisfaction. Customer satisfaction was not significantly affected by intellectual brand experience. Important factors that determine how satisfied car owners include total cost, driving range, experienced utility, experienced simplicity of use, and infrastructure readiness (Su et al., 2020). To summarise, it is hypothesized as

H8 : Brand Experience of luxury car positively influences the Customer Satisfaction of select EHNIIs

Perceived Value and Customer Satisfaction

The total value perceived by the customers and the gap between the overall cost and benefits they availed is known as customer-perceived value. Here the total customer value is the sum of predicted functional, psychological, and economic benefits from a particular market offering (Danaher et al.,2024). High customer value is the important key to generating high customer satisfaction and loyalty. The primary factors that determine customer value are value proposition and value delivery system. Value proposition outlines the experience that customers will have as a result of the company's offering and its supplier

relationships. The value delivery system means all the experiences the customers will have when they obtain and utilise the offerings (Halaby et al., 2023).

Customers are satisfied and they become loyal when their perceptions are fulfilled by the brand through services (Fazal-e-Hasan et al., 2017). Companies can increase their customer-perceived value through additional benefits, trust and by enhancing interactions with customers and the perceived value of the customers substantially influences their satisfaction and leads to customer retention (Simanjuntak et al., 2020). The customer experience management, quality management and safety are the key indicators influencing the brand perceived value and marketing of luxury cars. These will increase customer engagement and customer trust thereby satisfaction (Sharma et al., 2024). The functional value is thought to be the most significant customer perceived value linked with vehicle customers, and it has a strong effect on customer satisfaction and brand loyalty together with conditional and emotional values (Hassan, 2015). Consequently, it is hypothesized as

H9: Perceived value of luxury cars positively influences the Customer Satisfaction of select EHNIIs

Product Differentiation and Customer Satisfaction

Differentiation in the product-related attributes namely design, usability, safety and attractiveness are overwhelmingly considered by the customers (Kato, 2021). It is essential for companies and organisations to differentiate the product from other producers to meet the ever changing buying motives and pattern of the customers (Putra, 2023). Product Differentiation can be achieved through multiple sources and in multiple ways. They are differentiation based on formula, functional value, additional features, product design and packaging (Patankar, 2013).

Product innovation and unique product features are the key drivers for customer satisfaction (Dirisu et al., 2013). Product design is a strategic tool for generating long term relational outcomes such as customer affection, commitment and loyalty (Kumar et al., 2015). Quality of the product significantly influences customer preference for the firm which will enhance customer satisfaction and loyalty (Arif and Syahputri, 2020). The two competitive strategies namely market focus strategy and differentiation strategy enhance customer satisfaction (Ngari and Bichanga, 2017). Customer satisfaction of automotive

sector is positively impacted by product innovation and service excellence (Alsukri et al., 2022). To summarise, it is hypothesized as

H10: Product differentiation of luxury cars positively influences the Customer Satisfaction of select EHNIs

Brand Positioning and Customer Satisfaction

Brand positioning is a crucial strategic choice (Hooley et al., 2007; Keller and Lehmann, 2006) and is described as "the act of developing the company's offering and image to occupy a unique space in the target market's thinking" (Kotler, 2003). A successful brand positioning usually firm's core competencies and strategies (Fuchs and Diamantopoulos, 2010) highlight the company's distinctive means of providing customers with value (Keller, 2003). Business model innovations and technological innovation including outstanding design, style, interior materials, are used by companies for positioning high-level luxury brand of cars (Liu and Meng, 2017). The Country of Origin also acts as a positive cue and used by companies for positioning strategies (Bartikowski et al., 2019).

The brand positioning strategies are designed by Jalkala and Keränen (2014) in order to satisfy customers. The long-term service partner strategy is the most important positioning strategy as it makes use of a wide range of services to customers for managing customers' long-term support and maintenance and there by foster customer satisfaction (Jalkala and Keranen, 2014). Azmat and Lakhani (2015) identified three strategies of positioning namely beneficial positioning, surrogate positioning and competitive positioning. Out of these surrogate positioning has an impact on customer standpoint and satisfaction. As regards to automotive sector brand innovativeness significantly affects customer satisfaction (Nas et al., 2023) The relationship was also found significant in the case of luxury vehicles (Haralayya, 2021). Hence, it is hypothesized as

H11: Brand Positioning of luxury car positively influences the customer satisfaction of select EHNIs

Mediating Effect of Customer Satisfaction

Customer satisfaction and product attributes are closely related, and brand loyalty is significantly influenced by customer satisfaction (Chinomona, 2013). Satisfaction is identified as a productive mediator. Customer pleasure in the retail sector was related to

brand performance and brand loyalty(Hwang et al.,2021). The brand that a client chooses for future purchases is substantially impacted by their earlier brand experience (Sahin et al., 2011). A customer's initial purchase shapes the perception of a brand. This preliminary rating of a brand influences recurring purchases. Customer satisfaction and experience with a product of a particular brand over time foster brand loyalty (Ercis et al., 2012). As per Voss et al. (2010), satisfaction is a key determinant of brand loyalty. Satisfaction strongly mediates the effects of brand experience and perceived value on brand loyalty (Uzir et al., 2021), and mediates corporate image and brand loyalty(Hussain, 2016). Customers give greater emphasis to the functional benefits of the products such as quality and advantages, these are related to brand loyalty by the mediation effect of customer satisfaction (Kataria and Saini, 2020; Alfakih et al.,2022).

Automobile firms use several stimuli to draw customers or evaluate how well they understand the brand and the product (Raji et al.,2020). Better positioning in terms of usefulness, performance, colour, image, status, and environmental friendliness is crucial for customers. Customers regularly compare a brand's effectiveness and calibre of service to those of other brands. It can be positive or negative, similar to how the customer's usage experience affects how they feel about the brand or company (Jain et al.,2024). Customer brand loyalty is increased by having a positive mindset. These factors act as external stimuli that can boost or lower customer satisfaction. Customer satisfaction affects a customer's internal mindset since it is a psychological connection generated from the perceived , value, image and experience. Reactions and responses are the result of this inner or contentment. Satisfaction comes with positive feedback and a desire to make further purchases. (Thi et al.,2021; Uzir rt al.,2021). Hence it is hypothesized as

H12a: Customer satisfaction mediates the relationship between brand image and brand loyalty

H12b: Customer satisfaction mediates the relationship between brand experience and brand loyalty

H12c: Customer satisfaction mediates the relationship between perceived value and brand loyalty

H12d: Customer satisfaction mediates the relationship between product differentiation and brand loyalty

H12e: Customer satisfaction mediates the relationship between brand positioning and brand loyalty

Moderating Effect of Brand Trust

Trust is one of the most essential factors to develop brand loyalty (Chaudhuri et al., 2001; Ebrahim, 2020). To foster and enhance this trust, companies have to meet the needs of its customers by giving excellent products and satisfying service (Agha et al.,2021). Such assurance inspires client repeat business and brand loyalty, as well as product repurchasing. The varied levels of brand trust that a customer perceives have a substantial effect on the connection between customer satisfaction and loyalty (Uzir et al., 2021). Hanaysha and Abdullah (2015) drew attention to the high standards and possibilities for customers to earn favourable results from a brand. Brand trust builds credibility for purchases and subsequent repurchases, which show brand loyalty (Newell and Goldsmith, 2001).

Brand trust intermediates the before and after-purchase customer behaviour. It develops the bond between the customer and the company, it enhances through satisfaction of the customers, and strengthens the level of brand loyalty (Nasir et al.,2020; Lieu et al.,2021; Ghosh and Battacharya,2022). It is the key determinant of customer loyalty particularly for highly involved products or services; it influences customers' attitudes and behaviour toward brand loyalty (Hur et al.,2014; Li and Chaipoopirutana,2016). Trust plays an important role in determining relationship commitment and leads to brand loyalty. It has a direct effect with purchase and attitudinal loyalty (Kuusik, 2007; Gecti and Zengin,2013; Kumar Mishra et al.,2016; Dhanny et al.,2022; Attar et al.,2023). As brand loyalty comes from a foundation of brand trust, the managers of the companies should fulfil their obligations to the customers regarding product quality, warranty duration, customer support services etc (Cuong, 2020). To summarise it is hypothesized as

H_{13a}: Customer satisfaction of luxury car influences Attitudinal loyalty

H_{13b}: Customer satisfaction of luxury car influences Behavioural loyalty

H_{13c}: Brand Trust of luxury car influences Attitudinal loyalty

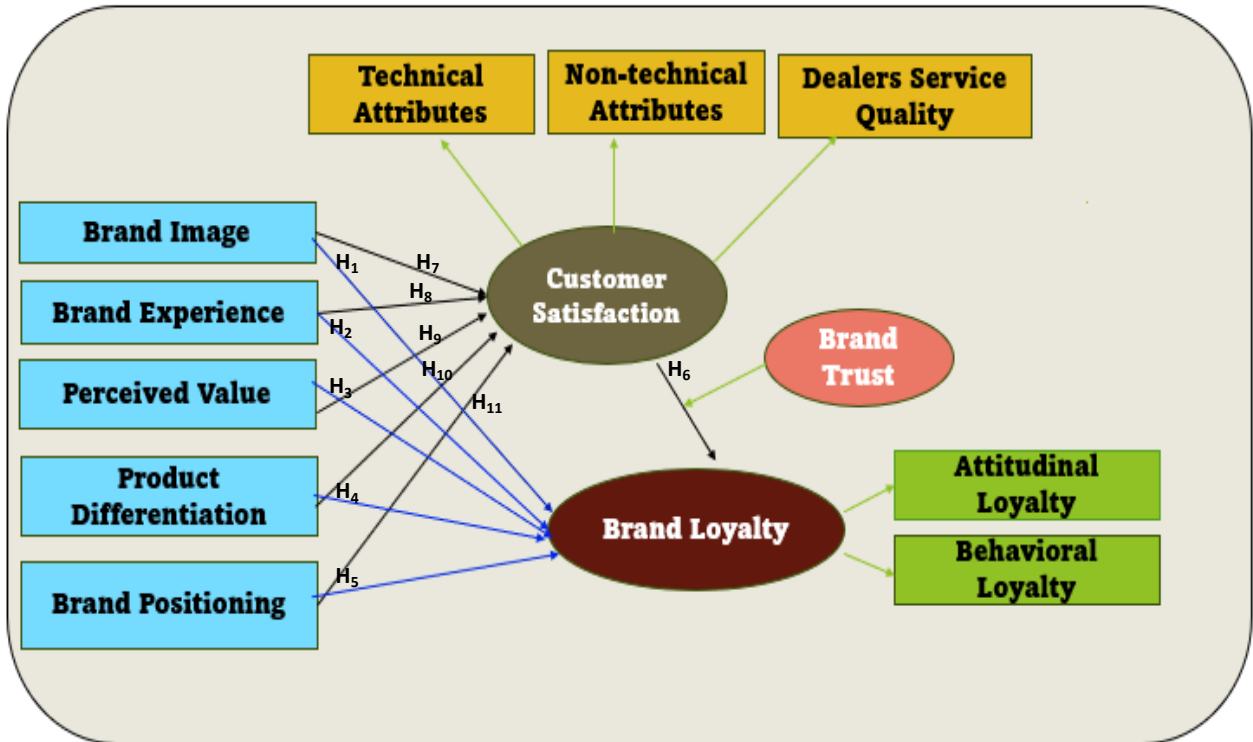
H_{13d}: Brand Trust of luxury car influences Behavioural loyalty

H_{13e}: When brand trust is high, the relationship between Customer satisfaction and Attitudinal loyalty is stronger

H_{13f}: When brand trust is high, the relationship between Customer Satisfaction and Behavioural loyalty is stronger.

Based on the relationships identified among the constructs, a conceptual model is framed and tested in the study (Figure 5).

Figure 5 Conceptual Model of the study



Source : Compiled Model

Framework of analysis

- **Descriptive statistics** were applied to categorize the respondents based on their socio-economic profile, purchase, and brand preference about luxury cars
- **Rank analysis** was used to identify the most preferred features of their luxury brand car
- **The chi-square test** was applied to determine whether a significant correlation exists between the respondents' socioeconomic profile and customer satisfaction and brand loyalty
- **Analysis of Variance and t test** were used to test whether a significant mean difference existed between select constructs
- **Structural Equation Modelling (SEM)** to test the influence of brand-related attributes of luxury cars on brand loyalty of EHNI car owners, the mediating effect of customer satisfaction, and the moderating effect of

brand trust between customer satisfaction and loyalty.

Operational Definition of the concepts used in the study

Luxury

Luxury is the features of a product that fulfill wants beyond what is essential. It is the exclusive products that sell at a high price and give prestige to the owner based on their widespread or public symbolism (Ko et al., 2019). Customers pay attention to how luxury experiences are created, performed, and enacted. They have the authority to determine the location, mode and frequency of ways that luxurious experiences enhance their lives (Thomsen et al., 2020).

Luxury Cars

Luxury cars provide an increased level of comfort, amenities, superior design, performance, and status. “A luxury car is a car that provides the extraordinary level of comfort, features, and performance and in the interiors, more expensive materials and finishes are used, and buyers buy them because of their brand image & quality.” It is a sector of the automotive industry that aims to secure orders from customers by providing uniqueness in their products and differentiation beyond the necessities of standard mobility (Nunes, et al., 2016).

Emerging High Networth Individuals

Individuals whose investible riches are in the range of ₹. 25 lakh - ₹. 2 crores is referred as Emerging High Networth Individuals (Kredx-Invoice Discounting: A New-age Revolution in Alternative Investments, 2017). They are mainly divided into two categories namely the Self-Made HNIs and Inherited HNIs. This category constitutes Entrepreneurs, NRIs, and highly salaried professionals such as Doctors, Chartered Accountants, and Architects.

Investible Surplus

Investible surplus is the amount of money remaining with an individual after meeting all the expenses. It is the money that isn't needed at present or in the near future and is available for long-term investing (Jenkins and Harberger, 2018). It's an important factor in the financial planning, as it determines whether and when one can meet your goals.

Mediating Effect

The variable that transfers the effect of an independent variable to a dependent variable is called a mediator. In a mediation model, the mediator is caused by the independent variable, which in turn affects the dependent variable. (MacKinnon, 2012; MacKinnon and Pirlott, 2015). Since it sits in between the independent and dependent variables and explains how two variables are related, the "mediator" is often referred to as the "intervening variable" (Madhavan, 2018).

Moderating Effect

Moderating variables expands the effect of exogenous variable on endogenous variable. It interacts the relationship between these two variables; and the moderating effect reinforces the influence of independent variable on dependent variable (Cortina et al.,2019).

Brand Image

Brand image is defined as the unique set of associations within the minds of target customers (Patankar, 2013). It is the overall impression in customers' minds that is formed from various sources. Customers form a variety of connections with the brand. Based on these, they establish brand image. It is the current view of the customers about a brand. It represents what consumers think about a brand right now (Isoraite, 2018).

Perceived Value

Perceived Value is the evaluation of a product or brand by prospective customers. It is the total of functional, financial, and psychological benefits expected by a customer from a given market offering. It is the total of product, services, personal and image-related values. (Kotler and Keller, 2007).

Brand Experience

Brand Experience is a brand attribute that occurs when customers look for the product, shop for it, receive services from it, and consume it. It is the subjective internal responses of customers namely sensation, feeling, cognitive insights and behavioural reactions elicited through various brand-related stimuli(Holbrook, 2000; Brakus et al., 2009).

Product Differentiation

Product Differentiation is the process of making a product unique and different in some respect from competitive products (Makadok and Ross, 2013). In standardized products, physical differences are insignificant. Hence marketers create some psychological distinctions in their products. Such differences may not be tangible or substantial but they are significant to the customers. It is a crucial decision area of product strategy to attract the attention of customers in the face of alternative products.

Brand Positioning

Brand positioning is the place of the brand which occupies in the customer's mind with respect to certain attributes, which can be tangible or intangible (Fuchs and Diamantopoulos, 2010). Marketers achieve product position by manipulating the marketing mix (Khan,2014). The marketer aims to create a unique position for its product in the consumer's mind. If the product delivers a higher value compared to competitors, then it enjoys a better position and a higher level of customer loyalty and equity.

Customer Satisfaction

Satisfaction is feeling about the pleasure and disappointment of a person while comparing the perceived performance of a product and his or her expectations. Customer satisfaction occurs when the performance meets the expectations of the customers. Customer dissatisfaction arises when performance of a product fails to meet expectations. According to Kotler and Keller (2007), a consumer is extremely satisfied or delighted when the performance exceeds their expectations.

Brand loyalty

Customers who are brand loyal are dedicated to the brand, willing to give premium price for it, they are less likely to switch to other brands and will constantly promote it. Brand loyal customers believe their brand offers as a unique value that is not availed from other competing brands (Patankar, 2013). Brand loyalty is the dedication of a customer to continuously purchase or support a favoured brand, even in the face of external factors and promotional campaigns that may tempt consumers to go to a different brand (Boateng et al.,2020)

Attitudinal loyalty

Attitudinal loyalty would have something to do with attitude, it is related to the state of mind, it is a mental construct. An attitudinal loyal customer has a favorable attitude

toward the brand, which implies that the brand enjoys favourable evaluation (Asgari and Hosseini,2015). A brand enjoys two routes to creating positive effects namely the functional route and the emotional route. The attitudinal preference is expected to translate into buying behaviour. The attitudinal liking and preference create an invisible barrier preventing the customer from switching (Soedarto,2019).

Behavioural loyalty

Behavioural loyalty has something to do with the consumer's act of buying. A consumer may patronize or repeatedly buy a brand regularly, but it may not be coupled with any preferential phenomenon in the mind. This type of loyalty is often observed in low involvement conditions created by product parity where brands are superficially differentiated (Srivastava and Kaul, 2016).

Ethical Consideration

Researchers in marketing have ethical obligations to conduct studies impartially. An essential component of investigation that necessitated the remaining edge of the study is ethical consideration. The ethics of statistical surveying are the rules that direct the researcher to carry out the research honestly and ensure its genuineness. Research that will benefit society and its customers has been called for by pioneers in the field of customer behaviour, and the emphasis is being placed on upholding respondents' rights and safety.

The marketing researcher takes precautions to guarantee that the respondent's data is kept anonymous and confidential at every stage of a statistical surveying effort. Additionally, it is crucial that participants' privacy be always maintained. This comprises demographic inquiries and other data gathered throughout the survey.

For the successful conduct of the study complying with the ethical guidelines, the database of the customers was collected from selected luxury car dealers in Ernakulam District, contacted them, and ensured their consent before data collection. The researcher agreed to keep the respondents' information highly confidential and did not collect any personal data that is beyond the study objective. The data will be primarily used for academic purpose. The Institutional ethical clearance was obtained.

IHCC Ethical Clearance No. AUW/IHEC/COM-21-22/XPD-02