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RESEARCH ARTICLE OPEN ACCESS

A STUDY ON CUSTOMER SATISFACTION TOWARDS LUXURY CARS

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ABSTRACT: This study focuses on customer satisfaction towards luxury cars. Luxury cars are becoming increasingly popular due to their advanced features, comfort, brand value, and performance. The main objective of this study is to analyze the level of satisfaction among customers who own or use luxury cars and to identify the factors influencing their buying decisions. The research is based on primary data collected through questionnaires and secondary data from journals, websites, and reports.

Keywords: Customer Satisfaction, Luxury Cars, Brand Image, Buying Behaviour, After-Sales Service, Product Quality

INTRODUCTION

The automobile sector is considered one of the most important industries driving the growth of the Indian economy. Over the past few decades, India has experienced rapid economic development, industrial growth, and urbanization. As a result, the lifestyle, income levels, and purchasing power of people have improved significantly. This transformation has directly influenced the growth of the automobile industry in the country.

In earlier times, owning a car was considered a luxury and was limited only to industrialists, business tycoons, and very wealthy families. About two decades ago, cars were not commonly seen in middle-class households. However, with industrialization, economic reforms, and increased employment opportunities, the earning capacity of the middle class has grown steadily. Today, many middle-class families can afford to buy cars, including premium and luxury models.

STATEMENT OF THE PROBLEM:

Due to the emergence of globalization and liberalization there is a stiff competition among the variety of car industries which are focusing attention in capturing the Indian markets. Cars, though considered as luxury once, now occupy a part of day to day life and have become a necessity. People who were not ready to spend their money on luxuries have now changed their attitude that yesterday's luxuries are today's necessities. Customer preference is a study of physiological, social, physical behavior of all potential customers as they become aware of evaluation, purchase and consumption and tell others about the products and services.

SCOPE OF THE STUDY:

The scope of study is to analyze the customer satisfaction and the factor influencing the purchase of luxury cars, that will help the organization to rectify the errors to develop the quality of service in future period of time.

OBJECTIVE OF THE STUDY:

1. To identify the factors influencing to buy luxury cars.
2. To examine the level of satisfaction of buyers in using luxury cars.
3. To understand how factors like price, mileage, features, and after-sales service influence the satisfaction of customers who use luxury cars.
4. To study and compare the satisfaction levels of customers who own different luxury car brands

RESEARCH METHODOLOGY:

The main objective of this research is to know the customer satisfaction towards luxury cars, a study with reference to Coimbatore city.

PERIOD OF STUDY

The study has been conducted from December 2025 to April 2026 .

AREA OF THE STUDY:

The study was undertaken in Coimbatore city.

SOURCE OF DATA:

Primary data

Primary data was collected freshly and thus it was original in character. It has been collected through questionnaires. The questionnaires were given to the respondents when they visited the respective showroom.

Secondary data:

Secondary data are data which has already been collected by someone. Its main sources are Journals, Newspaper, Magazines, and Internet etc.

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SAMPLE SIZE:
150 respondents are selected from coimbatore district for the purpose of the study. Direct questionnaires are used to survey the respondents.

DATA ANALYSIS:
The collected data are analyzed by percentage analysis, Ranking analysis, Correlation analysis responses.

SAMPLING TECHNIQUE:
The sampling technique used in the study is convenience sampling.

TOOLS:
- Percentage analysis
- Chi square

SIMPLE PERCENTAGE:
Simple Percentage Analysis refers to a special kind of rate or percentage (%) used in making comparisons between two or more series of data. A percentage is used to determine the relationship between the series.
Simple percentage analysis= Actual Response x100
Total number of respondents

CHI – SQUARE:
The chi-squared test is done to check if there is any difference between the observed value and expected value.
Chi square formula $\chi^2 = \sum(Oi - Ei)^2/E$

LIMITATIONS OF THE STUDY:
- The study was limited to Coimbatore city only.
- The data was collected only from 150 respondents.
- The result of the study may vary from time to time.

REVIEW OF LITERATURE
1.Iyer & Nair (2025) Iyer and Nair examined customer satisfaction and brand loyalty in the Indian luxury automobile market. The study concluded that emotional attachment to brands, personalized customer service, and innovative features significantly influence long-term customer satisfaction. The researchers suggested that luxury car manufacturers must clearly understand customer expectations to sustain growth in the competitive Indian market.

2.Patel (2024) Patel conducted a study on the changing perception of luxury car buyers in India. The study found that modern consumers consider luxury cars not only as a status symbol but also as a necessity for comfort, safety, and advanced technology. Features such as smart systems, hybrid engines, and enhanced safety measures were identified as major factors influencing customer satisfaction.

3.Mehta & Jain (2023) Mehta and Jain focused on the role of digital marketing and online reviews in influencing luxury car buyers. The research revealed that customers depend greatly on online ratings, social media influence, and customer feedback before making purchase decisions. The study concluded that a strong digital presence improves brand image and customer trust.

OVERVIEW OF THE STUDY
A luxury vehicle is intended to provide the driver and passengers with increased comfort, a higher level of equipment and increased perception of quality than regular cars (such as economy cars, which are intended as basic low-cost transportation devices) for an increased price. The term is subjective and can be based on either the qualities of the car itself or the brand image of its manufacturer. Luxury brands are considered to have a higher status than premium brands, however, there is no fixed differentiation between the two.

Traditionally, luxury cars have been large vehicles, however, contemporary luxury cars range in size from compact hatchbacks to large sedans and SUVs.A luxury car can act as a status symbol for the customer. Thus, those who buy luxury cars more likely crave social status and material wealth, as opposed to utilitarian cars which consumers buy out of necessity. The luxury car company needs to maintain their brand reputation and quality to attract customers. An appropriate definition of luxury cars is needed for this study. It is important that the characteristics of luxury cars should fit the luxury values and the consumer perceptions. A luxury car brand provides desirable characteristics beyond strict functional "bare necessities". A luxury car distinguished by style,

TABLE NO :4.1
AGE OF THE RESPONDENTS

S.no	PARTICULAR	NO.OF RESPONDENT	PERCENTAGE

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1	BELOW 25 YEARS	87	58.0
2	26-35 YEARS	36	24.0
3	36-45 YEARS	20	13.3
4	ABOVE 45 YEARS	7	4.7
	Total	**150**	**100**

INTERPRETATION

The above table shows that 58% of respondents belong to below 25 years, 24%of the respondents belong to 26-35 years, 13.3% of the respondents belong to 36-45 years,and the remaining 4.7% belong to more than 45 years.

The Majority of 58% respondents belong to below 25 years.

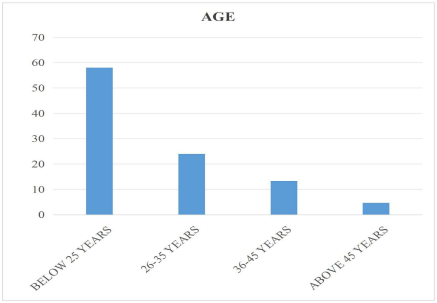


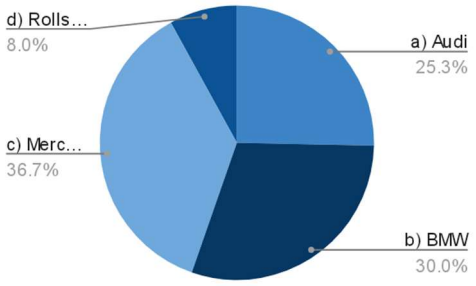
TABLE NO :4.22
LUXURY CAR DO YOU HAVE

S.no	PARTICULAR	NO.OF RESPONDENT	PERCENTAGE
1	Audi	38	25.33%
2	BMW	45	30%
3	Mercedes Benz	55	36.67%
4	Rolls Royce	12	8%
	Total	**150**	**100**

INTERPRETATION

Mercedes-Benz emerges as the most popular brand among the respondents (36.67\%), followed closely by BMW (30\%). These two brands together account for two-thirds of the sample. Rolls Royce ownership represents a niche segment (8\%), which is consistent with its positioning as an ultra-exclusive, high-tier luxury brand compared to the more mainstream luxury of Audi, BMW, and Mercedes

The majority 36.67% of the respondents are Mercedes Benz.



CHI-SQUARE TEST

Table 1.1: Observed Frequencies (O) for Income and Luxury Car Brand

Family Annual Income	Audi	BMW	Mercedes Benz	Rolls Royce	Others	Total
Below Rs. 10,00,000	5	4	1	0	35	45
Rs. 10,00,000 - 20,00,000	10	8	5	0	17	40
Rs. 20,00,001 - 50,00,000	12	14	10	1	3	40
Above Rs. 50,00,000	5	6	8	4	2	25
Total	32	32	24	5	57	150

INTERPRETATION

H_0 (Null Hypothesis): There is no significant relationship between family annual income and the brand of luxury car owned.

H_1 (Alternative Hypothesis): There is a significant relationship between family annual income and the brand of luxury car owned.

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Income Category	Luxury Car Brand	Observed (O)	Expected (E)	(O - E)^2	(O - E)^2 }{E}
Below 10 L	Audi	5	9.6	21.16	2.204
	BMW	4	9.6	31.36	3.267
	Mercedes Benz	1	7.2	38.44	5.339
	Rolls Royce	0	1.5	2.25	1.5
	Others	35	17.1	320.41	18.737
10 L - 20 L	Audi	10	8.533	2.151	0.252
	BMW	8	8.533	0.284	0.033
	Mercedes Benz	5	6.4	1.96	0.306
	Rolls Royce	0	1.333	1.778	1.333
	Others	17	15.2	3.24	0.213
20 L - 50 L	Audi	12	8.533	12.018	1.408
	BMW	14	8.533	29.884	3.502
	Mercedes Benz	10	6.4	12.96	2.025
	Rolls Royce	1	1.333	0.111	0.083
	Others	3	15.2	148.84	9.792
Above 50 L	Audi	5	5.333	0.111	0.021
	BMW	6	5.333	0.444	0.083
	Mercedes Benz	8	4	16	4
	Rolls Royce	4	0.833	10.028	12.033
	Others	2	9.5	56.25	5.921
TOTAL		150	150		72.052

RESULT

Calculated Chi-Square Value :72.052
Significance Level : 0.05
Degrees of Freedom (df): (4 - 1) \times (5 - 1) = 12
Critical Value from Table: 21.026
The Calculated Chi-Square value (72.052) is significantly greater than the Critical Table value (21.026). We reject the null hypothesis H_0. There is a highly significant relationship between family annual income and the luxury car brand owned.

FINDINGS

1.The majority of 58% respondents belong to below 25 years.
2.The majority of 66% respondents belong to Undergraduate.
3.The majority of 60% of respondents belong to male.
4.The majority of 26.7% respondents are urban.
5.The majority of 53.3% respondents belong to students.
6.The majority of 64.7% of the respondents are unmarried.
7.The Majority 57% of the respondent's family annual income is below Rs.10,00,000.
8.The Majority 39.3% of the respondents purchase luxury cars for personal/family purposes.
9.The Majority 38% of the respondents get information through the internet.
10.The majority 48% of respondents use petrol in their car.
11.The majority 44% of respondents purchased a luxury car in cash payment.
12.The majority 38% of respondents use internal combustion engines in their cars.
13.The majority 23.3% of respondents are driving comfort.

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14.The majority of 54% respondents , level of satisfaction of buyers in using the luxury cars are satisfied.
15.The Majority 40% of the respondents have given a positive response by choosing "Definitely"
16.The Majority 46.7% of the respondents have given a highly positive rating by choosing "Excellent"
17.The majority 43.3% of the respondents are highly satisfied.
18.The Majority 36.7% of the respondents belong to the "Very high".
19.The Majority 40.0% of the respondents have rated the service and support as excellent.
20.The Majority of respondents 38% prefer or are associated with foreign travel.
21.The majority 45.33% of the respondents somewhat improves my image.
22.The majority 36.67% of the respondents are Mercedes Benz.
23.The majority 40% of the respondents are AI powered concierge driving assistance

SUGGESTION

- Increase market share through a differentiation strategy based on quality service and the culture of delivering value.
- The company cars grow the customer base through word-of mouth advertising from satisfied consumers.
- Improve productivity of the employees, by focusing on their quality of job, and by maintaining positive relationships with the co-workers and with customers too.
- Generate positive attitudes and build enthusiasm among the work force.

CONCLUSIONS

Consumer satisfaction is a concept that more and more companies are putting at the heart of their strategy, but for this to be successful there needs to be clarity about what consumer satisfaction means and what needs to happen to drive improvement. The main objective is to know about the satisfaction of consumers towards luxury cars and to analyze the needs of the consumers based on primary data. For this purpose a sample of 150 has been collected and percentage analysis,ranking analysis and correlation analysis were used as tools and the conclusion is that the quality of work with showrooms can be increased in future so that the level of satisfaction of consumers can be increased A luxury car is now associated with a symbol of status and pride. The study has tried to bring some facts about luxury cars.

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