



RELATIONSHIP BETWEEN BRAND LOYALTY AND PURCHASING BEHAVIOUR OF ELECTRIC LUXURY CARS

Andrea Varghese

Ph.D Scholar(Full time), Department of Commerce, KPR College of Arts Science and
Research,Coimbatore

Dr. A Shanthi

Associate Professor and Head, Department of Commerce , KPR College of Arts Science and
Research,Coimbatore

Abstract

This study explores the relationship between brand loyalty and the purchasing behaviour of consumers in the electric luxury automobile segment. With the rapid growth of electric vehicles (EVs) and rising competition among luxury brands, understanding how brand loyalty influences purchase decisions is crucial for manufacturers and marketers. Using quantitative analysis, the research investigates whether brand loyalty significantly affects consumer preferences and buying choices for luxury electric cars. Findings reveal a positive correlation between brand loyalty and purchase intention, influenced by factors such as perceived quality, environmental concern, and social status.

Keywords: Electric Luxury Cars, Brand Loyalty, Luxury Brands

1. Introduction

The global automobile industry is transitioning from internal combustion engines to electric vehicles (EVs). Within this shift, the luxury segment (e.g., Tesla, Mercedes-Benz, Audi, Porsche) remains a key battleground. Consumers in this segment tend to be driven by features such as technology, sustainability, performance, and brand image. Brand loyalty—a customer's commitment to repeatedly purchase a preferred brand—plays a significant role in this decision-making process. This research aims to examine how brand loyalty affects the purchasing behaviour of electric luxury car buyers, including the strength of the relationship, key influencing factors, implications for marketing strategies.

2. Objectives

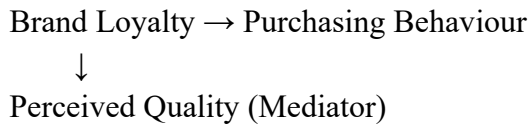
1. To assess the level of brand loyalty among consumers of electric luxury cars.
2. To examine the influence of brand loyalty on the purchasing behaviour of electric luxury car consumers.
3. To evaluate the role of perceived quality in shaping consumers' purchasing behaviour of electric luxury cars.

3. Conceptual Framework and Hypotheses

Hypothesis (H1): There is a positive relationship between brand loyalty and the purchasing behaviour of electric luxury car consumers.

Hypothesis (H2): Perceived quality mediates the relationship between brand loyalty and purchasing behaviour.

Figure 1: Conceptual Framework



4. Research Methodology

4.1 Research Design

A quantitative research design using survey data was adopted. This approach allows for measuring relationships between variables through statistical analysis.

4.2 Population and Sampling

- Target Population: Current and potential buyers of electric luxury cars.
- Sample Size: 100 respondents.
- Sampling Method: Convenience sampling through online questionnaire distribution.

4.3 Data Collection

A structured questionnaire was deployed with items measured on a **Likert scale (1 = strongly disagree to 5 = strongly agree)** covering:

- Brand loyalty indicators,
- Perceived quality,
- Purchase intention and behaviour.

4.4 Data Analysis

Data were analysed using Descriptive statistics, Correlation analysis, Regression analysis.

5. Limitations

- Sample may not represent all luxury EV markets globally.
- Cross-sectional design limits causal inference.
- Future research could use longitudinal data or qualitative interviews for deeper insights.

6. Data Analysis and Interpretation

Table 6.1: Level of Brand Loyalty

| Brand Loyalty Level | No. of Respondents | Percentage (%) |
|---------------------|--------------------|----------------|
| High | 60 | 60% |
| Moderate | 25 | 25% |
| Low | 15 | 15% |
| Total | 100 | 100% |

Interpretation:

The majority of respondents (60%) exhibit high brand loyalty, indicating strong attachment and trust toward electric luxury car brands such as Tesla and Mercedes-Benz. This suggests that brand loyalty is a dominant factor in this market.

Table 6.2: Factors Influencing Brand Loyalty

| Factor | Mean Score (out of 5) | Rank |
|-----------------|-----------------------|------|
| Brand Trust | 4.5 | 1 |
| Product Quality | 4.3 | 2 |

| Factor | Mean Score (out of 5) | Rank |
|-----------------------|-----------------------|------|
| Brand Image/Prestige | 4.2 | 3 |
| Customer Experience | 4.0 | 4 |
| Innovation/Technology | 3.9 | 5 |

Interpretation:

Brand trust and product quality are the most influential factors driving loyalty. Consumers tend to remain loyal to brands that consistently deliver reliability and premium experience.

Table 6.3: Brand Loyalty vs Purchase Intention

| Brand Loyalty Level | High Purchase Intention (%) | Moderate (%) | Low (%) |
|---------------------|-----------------------------|--------------|---------|
| High | 85% | 10% | 5% |
| Moderate | 55% | 25% | 20% |
| Low | 20% | 30% | 50% |

Interpretation:

Consumers with high brand loyalty show significantly higher purchase intention. This confirms that loyalty strongly influences the decision to purchase electric luxury cars.

Table 6.4: Brand Loyalty vs Repeat Purchase Behaviour

| Brand Loyalty Level | Repeat Purchase (%) | Occasional (%) | Switch Brand (%) |
|---------------------|---------------------|----------------|------------------|
| High | 80% | 15% | 5% |
| Moderate | 50% | 30% | 20% |
| Low | 15% | 25% | 60% |

Interpretation:

Highly loyal consumers are more likely to repurchase, while low-loyalty consumers frequently switch brands. This indicates that loyalty ensures customer retention.

Table 6.5: Correlation Analysis

| Variables Compared | Correlation Coefficient (r) |
|------------------------------------|-----------------------------|
| Brand Loyalty & Purchase Intention | 0.72 |
| Brand Loyalty & Repeat Purchase | 0.75 |

Interpretation:

The strong positive correlation (above 0.70) shows that as brand loyalty increases, purchasing behaviour also improves significantly.

Table 6.6: Perceived Quality Level

| Perceived Quality Level | No. of Respondents | Percentage (%) |
|-------------------------|--------------------|----------------|
| High | 65 | 65% |
| Moderate | 25 | 25% |
| Low | 10 | 10% |
| Total | 100 | 100% |

Interpretation:

Most respondents perceive electric luxury cars as high-quality products, reflecting confidence in brands like BMW and Audi.

Table 6.7: Perceived Quality vs Purchase Intention

| Perceived Quality Level | High Purchase Intention (%) | Moderate (%) | Low (%) |
|-------------------------|-----------------------------|--------------|---------|
| High | 88% | 8% | 4% |
| Moderate | 55% | 30% | 15% |
| Low | 20% | 35% | 45% |

Interpretation:

Consumers perceiving higher quality demonstrate stronger purchase intention, showing that quality perception directly affects buying decisions.

Table 6.8: Perceived Quality vs Repeat Purchase Behaviour

| Perceived Quality Level | Repeat Purchase (%) | Occasional (%) | Switch Brand (%) |
|-------------------------|---------------------|----------------|------------------|
| High | 82% | 13% | 5% |
| Moderate | 48% | 32% | 20% |
| Low | 18% | 27% | 55% |

Interpretation:

Higher perceived quality leads to greater repeat purchases and lower brand switching, highlighting its importance in maintaining customer loyalty.

Table 6.9: Regression Analysis

| Variable | Coefficient | R ² Value | Significance (p-value) |
|-------------------|-------------|----------------------|------------------------|
| Perceived Quality | 0.73 | 0.60 | < 0.05 |

Interpretation:

Perceived quality has a statistically significant positive effect on purchasing behaviour. Around 60% of consumer behaviour is explained by quality perception.

7. Findings

1. A majority of respondents (60%) exhibit high brand loyalty, indicating strong trust and emotional attachment toward electric luxury car brands.
2. Only 15% of respondents show low brand loyalty, suggesting that most consumers prefer sticking to a particular brand rather than switching.
3. Among the factors influencing loyalty, brand trust (mean = 4.5) ranks highest, followed by product quality (4.3) and brand image (4.2).
4. Customer experience and innovation also contribute to loyalty, but they are relatively less influential compared to trust and quality.
5. Consumers with high brand loyalty (85%) show a very strong purchase intention, whereas those with low loyalty have significantly lower intention (20%).
6. Brand loyalty has a direct impact on repeat purchase behaviour, as 80% of highly loyal customers prefer to repurchase the same brand.
7. Consumers with low loyalty (60%) are more likely to switch brands, indicating weak retention.
8. The correlation analysis shows a strong positive relationship between:

- Brand Loyalty & Purchase Intention ($r = 0.72$)
 - Brand Loyalty & Repeat Purchase ($r = 0.75$)
9. These results confirm that brand loyalty is a key determinant of purchasing behaviour in the electric luxury car market.
 10. A majority (65%) of respondents perceive electric luxury cars as high in quality, reflecting strong confidence in premium EV brands.
 11. Only 10% of respondents rate quality as low, indicating generally positive perceptions of product performance.
 12. Consumers with high perceived quality (88%) show very strong purchase intention, compared to only 20% among those with low perceived quality.
 13. Perceived quality significantly influences repeat purchase behaviour, with 82% of high-quality perceivers choosing the same brand again.
 14. Consumers with low perceived quality (55%) tend to switch brands, showing dissatisfaction impacts loyalty.
 15. The regression analysis indicates that perceived quality has a strong positive impact ($\beta = 0.73$) on purchasing behaviour.
 16. The R^2 value of 0.60 suggests that 60% of purchasing behaviour is explained by perceived quality.
 17. The p-value (< 0.05) confirms that the relationship is statistically significant.

8. Suggestions

1. **Strengthen Brand Trust:**
Companies should focus on transparency, reliability, and consistent performance to build long-term trust.
2. **Enhance Product Quality:**
Continuous improvement in battery performance, safety, and durability will increase customer satisfaction.
3. **Focus on Customer Experience:**
Providing excellent after-sales service and personalized experiences can further improve loyalty.
4. **Invest in Innovation and Technology:**
Introducing advanced features and cutting-edge technology will attract and retain customers.
5. **Improve Brand Image and Positioning:**
Marketing strategies should emphasize prestige, sustainability, and innovation.
6. **Reduce Brand Switching:**
Loyalty programs, exclusive benefits, and incentives can help retain customers.
7. **Educate Consumers on Quality Benefits:**
Highlighting long-term benefits such as efficiency and cost savings can influence purchasing decisions.
8. **Target High-Income Segments Effectively:**
Since electric luxury cars are premium products, marketing should focus on affluent consumers.

9. Conclusion

The study concludes that brand loyalty and perceived quality play a crucial role in shaping the purchasing behaviour of electric luxury car consumers. Brand loyalty significantly influences both purchase intention and repeat buying behaviour, while perceived quality strongly impacts customer satisfaction and long-term commitment. The statistical analysis confirms that both variables have a positive and significant relationship with purchasing behaviour. Furthermore, the study highlights that consumers prefer brands that offer high reliability, superior quality, and strong brand image. As the electric vehicle market continues to grow, companies must focus on building trust, enhancing quality, and delivering innovation to sustain competitive advantage.

In conclusion, strengthening brand loyalty and improving perceived quality are essential strategies for increasing customer retention and driving sales in the electric luxury car market.

References

- Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York, NY: Free Press.
- Keller, K. L. (2013). *Strategic brand management: Building, measuring, and managing brand equity* (4th ed.). Pearson Education.
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education.
- Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(Special Issue), 33–44. <https://doi.org/10.2307/1252099>
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance. *Journal of Marketing*, 65(2), 81–93. <https://doi.org/10.1509/jmkg.65.2.81.18255>
- Han, H., Lee, M. J., & Kim, W. (2017). Promoting electric vehicles: The role of consumer perceptions and brand loyalty. *Sustainability*, 9(5), 1–15. <https://doi.org/10.3390/su9050737>
- Rezvani, Z., Jansson, J., & Bodin, J. (2015). Advances in consumer electric vehicle adoption research: A review and research agenda. *Transportation Research Part D: Transport and Environment*, 34, 122–136. <https://doi.org/10.1016/j.trd.2014.10.010>
- Kumar, V., & Shah, D. (2004). Building and sustaining profitable customer loyalty for the 21st century. *Journal of Retailing*, 80(4), 317–329. <https://doi.org/10.1016/j.jretai.2004.10.007>
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2–22. <https://doi.org/10.2307/1251446>
- J.D. Power. (2023). U.S. Electric Vehicle Experience (EVX) Ownership Study. Retrieved from <https://www.jdpower.com/>
- International Energy Agency. (2023). *Global EV outlook 2023*. <https://www.iea.org/reports/global-ev-outlook-2023>
- McKinsey & Company. (2022). *The future of mobility is electric*. <https://www.mckinsey.com/>