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1. Introduction and Business Problem

Over the last decade the luxury automotive market has seen tremendous growth, driven by the ever-increasing affinity of High-Net-Worth Individuals (HNWI) for luxury cars and the various values they embody such as; high performance, unique design, prestige, status and exclusivity. A significant number of luxury sports car manufacturers compete on grounds of both technology and prestige, brand experience and most importantly the emotional connection with the product. Ferrari is arguably the most famous luxury car brand globally and is known for its high-performance sports cars, unique brand image and strong roots in motorsport history.

Ferrari's strong position in the premium segment is, however, a highly contested segment, where several other luxury car brands also contend for the high-income consumer, including Lamborghini, Porsche and McLaren Automotive. To protect the Ferrari leadership position and to defend the prestige of the brand, it is crucial to be aware of the buying criteria of the high-income segment.

Luxury car buyers consider a variety of attributes when making their purchasing decision. These attributes include luxury car brand image, exclusivity, performance, new product innovation, emotional value and status. Unlike standard products, luxury cars are often purchased based on psychological and symbolic attributes rather than on the functionality of the product. Luxury car buyers often purchase a product based

on the status and prestige associated with the luxury brand and how it reflects their personal identity and aspirations.

Although Ferrari has managed to preserve its position as a successful luxury sports car manufacturer, changes in consumer demand, as well as in technology and competition mean that there are a multitude of factors which firms need to consider when trying to ascertain the purchase drivers. And understanding these factors can allow for greater effective marketing of the product, as well as greater customer satisfaction and the preservation of the firm's brand identity.

Therefore, the objectives of this research proposal are to identify the factors influencing purchasing decision of customers on Ferrari cars in the luxury automobile industry.

2. Research Aim, Objectives and Questions

Research Aim

To investigate the key factors influencing customer purchase decisions for Ferrari cars in the luxury automotive market.

Research Objectives

1. To identify the main factors influencing consumers' decisions to purchase Ferrari vehicles.
2. To examine the role of brand image and exclusivity in influencing Ferrari customers.
3. To analyse how product performance and technological innovation affect purchasing behaviour.
4. To evaluate the importance of customer experience and marketing in Ferrari's purchasing decisions.

Research Questions

1. What factors influence customers' decisions to purchase Ferrari cars?
2. How does Ferrari's brand image influence customer purchasing behaviour?
3. What role do performance and innovation play in customers' purchase decisions?
4. How does customer experience influence luxury car purchasing behaviour?

3. Literature Review

Consumer Behaviour in Luxury Markets

Consumer behaviour refers to the study of consumers' behaviours towards a particular product or service. Kotler and Keller define purchasing decisions as being influenced by a combination of psychological, personal, cultural and social factors (Kotler and Keller, 2016). In the luxury automotive sector, consumers are primarily motivated by emotional, perceptual and symbolic factors, such as status and self-image (Solomon, 2020).

The distinguishing feature of luxury products is their symbolic value in addition to their functional use. Although a luxury car is a transport tool like any other, its purchase conveys a different set of meanings for its owner, including status, exclusivity and prestige (Kapferer and Bastien, 2012). Recent studies suggest that luxury purchases are influenced by both internal motivations, such as personal enjoyment and passion for performance, and external motivations, such as social status and brand prestige (Wiedmann, Hennig's and Siebels, 2009).

Brand Image and Brand Equity

Brand image is a very important factor in consumer purchasing decisions, especially in the luxury market. According to Aaker's brand equity model, a strong brand creates value through brand awareness, perceived quality, brand associations, and customer loyalty (Aaker, 1991). In this context, the brand image of **Ferrari** has successfully developed a powerful and globally recognisable identity through its racing heritage, high-performance capabilities, and exclusive characteristics (Kapferer and Bastien, 2012).

Luxury goods firms often produce in limited quantities to preserve brand exclusivity. In the luxury automotive sector, it is argued that Ferrari's restricted supply of vehicles helps maintain strong demand, reinforce its prestige, and strengthen its unique brand image (Kapferer and Bastien, 2012; Frank, 2024). Exclusivity is particularly important for high-income consumers, as it creates a sense of scarcity, which increases perceived value and justifies higher prices (Wiedmann, Hennig's and Siebels, 2009).

Performance and Product Innovation

Product performance is one of the key variables affecting consumer purchases of luxury cars. With its renowned advanced technology, powerful engines and pioneering design, Ferrari's performance characteristics such as speed, acceleration, handling and technology etc. are key sources of competitive advantage.

Innovation is also an essential element in remaining competitive in the global luxury car sector. Ferrari permanently invests in research and development with the aim of constantly improving performance, design and innovative technology. Examples of this include hybrid engines and highly efficient aerodynamics.

Emotional Value and customer Experience

Emotional value is another aspect of luxury consumption. Luxury consumers often develop emotional links to luxury brands based on attributes such as historical legacy, rich storytelling and unique cultural context. These characteristics have a strong impact on building the authenticity of a luxury brand and can be seen with the historical roots of Ferrari in motor racing and Formula One.

Customer experience is also an important factor influencing purchase behaviour in the luxury sector. To improve the customer experience, Ferrari dealerships offer special VIP services, host exclusive test drive events and tailor the final design of the car to individual customer preferences, thus creating an experience that reinforces the bonding with the Ferrari brand and fosters customer loyalty.

Research Gap

Although there is a good body of literature on consumer behaviour in the luxury sector, very little research has focused on Ferrari as a brand. Therefore, this study aims to investigate into the purchasing behaviour of Ferrari customers and how various parameters influence it in the luxury automotive sector.

4. Research Methodology

Research Approach

This research will utilise a mixed-methods methodology. A combination of qualitative and quantitative methods will be utilized to gain an in-depth understanding of the current situation as well as to collect numerical data and observe how consumers behave.

Research Design

The assignment will be delivered as a case study analysis focusing on the organisation Ferrari. The study will include an analysis of the key factors that influence purchase decisions in the luxury segment of the automotive market.

Data Collection Minds

Primary Data

The primary data will be collected by developing an online survey that will be sent to all enthusiasts of luxury car as well as high-performance vehicles, available online. The survey will be designed to collect information that could reveal what factors influence the customer's purchase decision.

Brand Reputation

This section will examine how Ferrari's global reputation influences purchasing decisions. It will focus on customer perceptions of the brand's prestige, heritage, and trustworthiness, particularly its association with luxury and high performance.

Vehicle Performance

This will explore how important performance-related factors are to consumers. It will include aspects such as speed, engine power, innovation, and overall driving experience, which are central to Ferrari's value proposition.

Price and Exclusivity

This section will assess how price and limited production affect customer decisions. It will explore whether customers perceive higher prices as a sign of quality and whether exclusivity increases the desirability of Ferrari vehicles.

Design and Aesthetics

This will focus on the visual appeal of Ferrari cars, including styling, colour, and overall design. It will examine how aesthetics influences emotional attraction and purchasing behaviour.

Customer Experience

This section will analyse the importance of the overall buying experience, including dealership service, personalisation options, and brand engagement. It will assess how these factors contribute to customer satisfaction and loyalty.

Samples Survey topics May Include:

Secondary Data:

Se Ferrari Annual Reports

The annual reports provide detailed information about Ferrari's strategies in terms of finances, production, positioning and business performance. These reports will provide an understanding of how Ferrari maintains its brand value and consumer demand.

Academic Journals

Peer reviewed academic journals will be relied on for supporting the theory behind the research. Such sources will help in gaining insights regarding consumer behaviour and luxury branding and purchase decision making.

Industry Reports

Industry reports will provide insights regarding industry trends, consumer behaviour, market dynamics and competition within the luxury automotive industry. This source will help in placing Ferrari in the larger industrial environment.

Automotive Market Research

Automotive market research reports will provide information regarding consumer behaviour and purchasing trends within the automobile industry. This source will help in identifying important factors related to purchase decisions. Condry Data

Sampling Strategy

This research is based on non-probability convenience sampling where participants are approached to take part in the survey if they express an interest in luxury vehicle market. The sample size is targeted at approximately 100 sports car enthusiasts and luxury car buyers.

Data Analysis

Surveys will be analysed using quantitative data to provide information in the form of descriptive statistics highlighting key patterns and trends. Secondary sources of qualitative data will be analysed using thematic analysis to identify key themes of luxury consumer behaviour.

Research Ethics

We will address ethical issues as they occur in our research. Participants will be informed of the nature and purpose of the study and may withdraw their participation at any time. Participants' personal contact information will be stored confidentially and be used solely for the academic purposes of this study.

5. Business Relevance and Practical Implications

To secure long-term business success, Ferrari must better understand the factors which influence the purchase decisions of luxury car customers. Obtaining insight into the motivations and buying behaviour of these customers will inform the company's future marketing direction and aid it in retaining its competitive edge within the market.

The findings of this research could also have practical implications for the Ferrari marketing and product development functions. For example, recognition of the importance of prestige and exclusivity in purchasing decisions could suggest that the company is wise to keep production numbers low to maintain the brand's sense of luxury. Conversely, awareness of the impact of technological innovation could prompt Ferrari to devote greater resources to power unit engineering and hybrid vehicle development.

Future research will also aim to support the world's leading luxury sports car manufacturer by understanding what services and experiences the luxury consumer market wants from the Ferrari brand, in order to support increasing future growth, and to ensure further strengthening of customer loyalty. The study also provides original insights into consumer behaviour within the luxury automotive industry, contributing to business research in general.

6.Reference

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