

Prominence of new Luxury car sales in Malaysia

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Abstract. Contemporary customers purchase belongings to compensate themselves, to please mental requirements or to make themselves touch well. Up-to-date customers purchase belongings because they are luxurious. They purchase belongings to make a declaration, to show off their character or to increase their self-confidence. Extraordinary superior merchandises, decorative packing, high-class stock localities, high marketing limitations, luxurious upgrades, promotion operations, and brand terms are all the involvement to the developed charges of luxury things. Corporations make great reserves of these machineries in direction to mark their goods promptly identifiable and acquainted. Vehicle transportation is perhaps the utmost regularly recycled method of carriage. The luxury goods will mislay their scarcity and superiority features if they are not valued high. Luxury products are costly in comparative and complete relations. Luxury car is a marketing word for an automobile that delivers luxury — enjoyable or wanted features outside severe requirement — at augmented outlay. The period proposes a car with advanced superiority equipment, superior presentation, additional exact structure, luxury, advanced strategy, technically inventive contemporary, or structures that take an appearance, brand, status, or prestige, or any other 'discretionary' feature or amalgamation of them. In such a case a study of luxury car sales has been conducted in Malaysia. The primary facts have been collected through oral interviews with stalwarts of automotive industry. The secondary facts are composed from the 30th November 2014 of Sunday Star, newspaper. Outcome of the research study divulges that despite disparity in income and wealth of the ethnic people, there are more luxury cars sales in Malaysia.

Key Words: Automotive, Industry, Luxury, Car, sales, Malaysia, Auto parts

1. INTRODUCTION

A fixed of notions that made intellect a period ago formed the contemporary perception on shop. Nearly of these out-of-date notions are public shop for money worth, which spending choices make real intelligence or that spending is regularly about obtaining desirable things and facilities. The original method of Under standing in the spending atmosphere is not extended appropriately to recognize modest consumer claim and try to please them. Contemporary customers purchase belongings to compensate themselves, to please mental requirements or to make themselves touch well. Up-to-date customers purchase belongings because they are luxurious. They purchase belongings to make a declaration, to show off their character or to increase their self-confidence. Extraordinary superiority merchandises, decorative packing, high-class stock localities, high marketing limitations, luxurious upgrades, promotion operations, and brand terms are all the involvement to the developed charges of luxury things. Corporations make great reserves into these machineries in direction to mark their goods promptly identifiable and acquainted. . Vehicle transportation is perhaps the utmost regularly recycled method of carriage. Each time, public usage of car transportation to stay their residences of effort, their home environment and as well as for the other purposes. Automobile transportation can be used initially for marketable determinations. For instance, car transportation practices the asset of attractiveness for numerous corporations such as carrier, wood and similarly for transportation companies. Vehicle transportation is similarly used for entertaining drives.

Currently it is precise significant facility that benefits locomotive traders and similarly for customers to handover autos on or after single apartment to alternative. Maximum Vehicle transport corporations are consistent, completely protected and deliver nationwide door to door distribution. The facilities are generally available accessible. Public might interpret completely the facilities provided by numerous vehicle transport corporations and they could even interpret and associate charges too at the identical time. Vehicle transport corporations take charge of moving not only cars but ships, motorbikes and even household moving facilities are obtainable. Producers or consumers could be promoted by immediate quotations, which are obtainable accessible. Producers could associate charges and decent facilities from the highest automobile shipment corporations. According to the Oxford American Dictionary, luxury is the state of countless well-being and excessive breathing. This is really what each separate serious for. The idea of luxury is restricted to separately distinct and what luxury means for them. In general luxury products are extremely valued goods frequently in the position marketplace of products. People consume these products for diverse determinations. These could comprise diamond commitment sphere, self-rewarding with Louis Vuitton bag or luxurious car to equal the neighbour's BMW. The luxury goods will mislay their scarcity and superiority features if they are not valued high. Luxury products are costly in comparative and complete relations. Luxury car is a marketing word for an automobile that delivers luxury — enjoyable or wanted features outside severe requirement — at augmented outlay. The period

proposes a car with advanced superiority equipment, superior presentation, additional exact structure, luxury, advanced strategy, technically inventive contemporary, or structures that take an appearance, brand, status, or prestige, or any other 'discretionary' feature or amalgamation of them.

2. Statement of the problem

The middle class is characterised as having reasonable amount of discretionary income, claiming that roughly one third of their income after paying for basic necessities and remaining is left for discretionary spending. Discretionary income allows people to buy consumer goods, improve their health care and provide their children's education. A car is one of the important goods of necessity in life. Despite having middle income group, the importance of luxury cars sales has increased in Malaysia. This is because of dreaming of buying a luxury car, brand perception and also changing city life. In such a circumstance, the study has conducted to know the reason behind the importance of new luxury car sales in Malaysia.

3. Need and Significance of the Study

The world has been fetching an additional prosperous residence; there is an additional and extra prosperous society. They are attractive progressively brand perception. The development of sale of luxury cars would be a combination advent of original representations and gradual development as consumers aimed to owe a luxury vehicle when wealth is augmented. Sales of luxury cars have been progressively rising from an additional than a period, with the greatest producers selling in market divisions they haven't usually contested in. The bulk of that development has been from strong competitiveness from German brands Mercedes-Benz, BMW and Audi. Rich consumers favour to have luxury cars owing to having additional influential machine primary to advanced supreme rapidity and earlier hastening rate and productivity in subordinate fuel consumption, extra consistency, superiority, stability, security, safety and luxury. Thus there is a need and significance to study new luxury cars sales due to increase in popularity of luxury brand.

4. Objectives of the Study

- 4.1: To Examine individual median monthly salaries and wages by ethnicity and strata in 2013 in Malaysia
- 4.2 :To scrutinize the total number of new luxury cars sold in Malaysia in the year 2013.

5. Scope of the Study

Study covers the new Luxury car sold in Malaysia to the

extent of GDP of all states and individual median monthly wages and salaries in Malaysia.

6. Limitations of the Study

The study of new luxury car sales in Malaysia is equipped grounded on secondary data and the secondary sources were inadequate to the amount of the monthly salaries of individuals and luxury cars sales in Malaysia

7. Previous Studies

1. According to Judin Abdul Karim (2008)¹ stated that, it is obvious that road transportation controls Malaysia's transport segment, whereby the road system shields 96% of the financial events for moving things and customers.
2. On an added note, a public review directed by Abdalla *et al.* (2007)², has established out that native road operators have great fondness for the use of their individual cars slightly than community transport due to the suitability reason.
3. According to Judin Abdul Karim (2008)³, opined that, the portion of the traveller segment is extra separated into private cars and community transportations. The previous has the largest portion with 65%, while the final takes up the remaining 30%.
4. According to Li Wei *et al.* (2008)⁴, A great mandate of isolated cars may also clarify the inspiring situations in national automotive production. The national motor car marketplace signifies roughly 30% of the total demand in the five largest ASEAN economies— Indonesia, Malaysia, the Philippines, Singapore and Thailand.
5. Additionally according to Mohd Rosli (2006)⁵, car sales in Malaysia are measured by native car producers by quality of administration strategies that defend the local automotive industry i.e. via tariff and non-tariff barriers.
6. Lily Amelia *et al.* (2009)⁶ pointed out that, the main native car producers in Malaysia—Proton, Perodua and Naza—had clutched about 60% of the market share in 2007. Also, the growth of the national automotive industry has facilitated the development of the connected trades, comprising Small and Medium Enterprises (SMEs) as part producers or sub-assemblies.
7. MIDA (2010)⁷ reported that, Since Malaysia does not only create cars but also make automotive apparatuses, native car holders should not face any problems in obtaining aftermarket goods. These goods that comprise car components, substances and fixtures should be effortlessly available from the market place and also valued comparatively subordinate than introduced goods. Though, the topics of car preservation do not merely rotate everywhere the foundations of the aftermarket goods, since the status quo of Malaysia's automotive environment proposes that many openings static necessity to be talked.

8. According to Gall, Jared (August 2010)⁸ explained that, Bentley and Rolls-Royce have newly stimulated into more reasonable amount groups with new models priced significantly subordinate than their out-dated contributions (Bentley Mulsanne and Rolls-Royce Phantom and Maserati Quattroporte). These new cars, the Bentley Flying Spur and Continental GT sister cars and Rolls-Royce Ghost, shaped what Car and Driver described as the "entry-opulent segment".

9. According to Berger, Michael L. (2001)⁹ opined that, Automobile producers market precise creates and representations that are directed at precise socio-economic programmes, and thus "social position came to be related further with a specific car than possession of a car per se. "Consequently, automakers distinguish among their creation lines in "collusion" with the car-buying community. While an extraordinary price is the greatest normal aspect, it is "designing, manufacturing, and smooth public estimation which cars had the uppermost and lowermost position related with them."

10. According to Wendler, Andrew (January 2012)¹⁰ claimed that, Luxury vehicle manufacturers may moreover be stand-alone corporations in their individual true, such as BMW and Mercedes-Benz, or a division/subsidiary of a mass market automaker (e.g., Lexus is part of Toyota). Badge engineering is frequently used for price reserves, for example, the Lincoln cars that are created on Ford platforms or Acura representations resulting from Honda.

8. RESEARCH METHODOLOGY

8.1 : Sources of Data

The strength of any research is reliant on the organized method of information assortment sources and its analysis. The study is equipped grounded on primary information's and secondary information's. The primary facts have been collected through oral interview with stalwarts of automotive industry. The secondary facts are composed from the 30th November 2014 Sunday Star, newspaper and all existing literature have been obtained from internet automotive websites, auto business magazines, and e-auto journals.

9 : RESULTS AND DISCUSSION

Table.1. portrays the Individual median monthly salaries and wages by ethnicity and strata in Malaysia for the year 2013. The above table shows huge disparities in Income and spending patterns in the country. Majority of households earn less than RM 6000 and it highlights wealth inequality. Further more, the most of ethnic Chinese seem to be somewhat earning better than the other ethnic people because of their interest in business and trades in domestic and abroad. Therefore, it can be concluded that there is urban-rural disparities of income and spending pattern in Malaysia.

Table.1. Individual median monthly salaries and wages by ethnicity and strata in Malaysia for the year 2013

S.no.	Ethnicity/strata	Median monthly salaries and wages (RM)
1	Malaysia (total)	1,700
2	Bumiputera	1,600
3	Chinese	2,000
4	Indian	1,500
5	Others	900
6	Urban	1,680
7	Rural	1,040

Source: Sunday Star 30th November 2014.

Table .2. Total number of new luxury cars sold in Malaysia for the year 2013.

S.no.	Brand Name	No. of new Luxury cars sold
2	Volkswagen	9,538
3	BMW	7,057
4	Mercedes	5,550
5	Audi	3,102
6	Lexus	1,336
7	Land Rover	1,003
8	Mini Coper	437
	Porsche	275

Source: Sunday Star 30th November 2014

Table.2. displays the total number of new luxury cars sold in Malaysia for the year 2013. Out of total eight brands i.e. Volkswagen, BMW, Mercedes, Audi, Lexus, land Rover, Mini Coper and Porsche of luxury car sales, Volkswagen sales are more compared to other brands of luxury cars sales in Malaysia due to increase in dealer network and healthy car market segment of wealthy people. The main source of income is solely from their salaries as the most do not have assets. The main bulk of their expenses go to car instalment and the main liabilities for the most of the Malaysians are car loans to purchase luxury cars due to adopt city life style.

The following are the suggestions for the study of prominence of new luxury cars sales in Malaysia.

1. Outcome of the research study divulges that despite disparity in income and wealth of the ethnic people, there are more luxury cars sales in Malaysia, specially the sale of Volkswagen is more compared to other brands, in such a circumstances the manufacturers of luxury cars sales should still introduce and increase several new models keeping in view of the wealthy people preferences, create more customer confidence and consideration for the brand and increase more dealer network to avoid any delay in supply.
2. It is also suggested that the business of automotive segment of luxury cars will remain to be its foremost revenue creator,

which determines a majority of the auto company's proceeds is still anticipated to be seen as growing and moving forward notwithstanding the occurrence of extra business parts such as oil and gas that is rising in consequence and weightage on its complete financials. The sales of luxury car segment will contribute profits for every financial year and also expand its market share.

10. CONCLUSION

Therefore, Producers of Prominent luxury brands like BMW and Mercedes are now endeavouring to equal their brand with post-modern method specifically 'brand as company' and brand as strategy. Vendors should be conscious of customer pessimism and careful with their movements which could affect purchaser and community standards completely or undesirably. Vendors should emphasise on consumer value-building and this will lead the consumer to procurement frequently or furthermore to commend that trader to families and survive the promoting success of other producers.

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