

Original Article

LUXURY SUV POSITIONING: A COMPARATIVE ANALYSIS OF BRAND SIGNALLING STRATEGIES IN BMW, MERCEDES-BENZ, AND AUDI

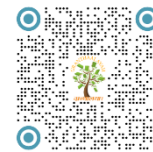
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ABSTRACT

One of the most fiercely contested niches in India's automobile industry is that of luxury sport utility vehicles (SUVs). BMW, Mercedes Benz, and Audi are estimated to share about 85 percent of the premium segment sales volume in this niche. However, despite the fact that each brand offers distinct status signals, the extent to which they differ in their approach and why different customers are attracted to these unique offerings remains inadequately explored. This paper attempts to fill that gap.

The current study proposes a brand signalling framework that has four dimensions: signal legibility, physical dominance, psychological authority, and competence & control. These constructs have been evaluated via a quantitative in-person survey involving 109 owners of luxury SUVs in the state of Mumbai, Maharashtra. The survey comprised 22 perception-related items in the form of a Likert scale and 3 purchase intention-related items. The statistical analysis involved reliability analysis using Cronbach's alpha test ($\alpha = 0.867$), exploratory factor analysis with varimax rotation (accounting for 70.2% of total variance), multiple regression analysis ($R^2 = 0.432$, $p < 0.001$), Pearson correlation, Chi square test for income-brand relationship, and one way ANOVA for demographic differences in age.

Three key perception factors have been observed: Prestige & Dominance, Technology & Performance, and Brand Identity. Prestige & Dominance turned out to be the strongest predictor of purchase intentions ($\beta = 0.292$), followed by Brand Identity ($\beta = 0.256$) and Technology & Performance ($\beta = 0.179$). Interestingly, the brand preferences did not depend on the income level of the customers ($\chi^2 = 4.795$, $p = 0.570$). In terms of the perceptual factors, Mercedes Benz seemed to best align with prestige-based positioning, BMW excelled among the performance-orientated younger crowd, and Audi, though technologically strong on perceptions, showed a gap between recognition and aspiration.

Overall, these findings provide a segment-wise comparative brand signalling framework within the scope of luxury automotive branding.

Keywords: Luxury Automotive Branding, Brand Signalling Strategies, Luxury SUV Positioning

INTRODUCTION

BACKGROUND AND EVOLUTION OF LUXURY BRANDING

The essence of luxury branding is not just a by-product of traditional branding - it is a separate strategic science, where prestige, quality, and exclusivity are carefully built up to distinguish luxury products and the mass substitutes. The automotive industry has a

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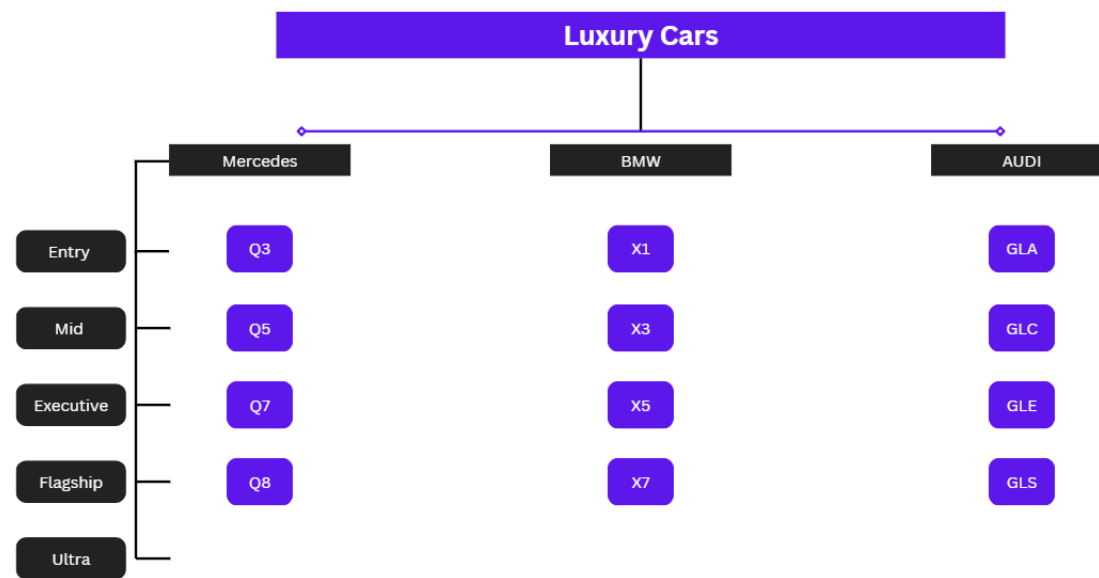
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multi-dimensional social role in the automotive industry: luxury cars are used as status symbols, symbols of individual wealth, and personal identity [Al-Issa et al. \(2024\)](#). In contrast to the utility products, luxury goods obtain their high value by brand association, social image, and emotional congruence, which are most effectively conveyed in the automotive setting in the visual design, high-technology, and the sense of comfort.

Perhaps the most striking change in the history of automotive marketing over the past twenty years is the shift of sport utility vehicles (SUVs) as a utilitarian working machine to a luxury status symbol. According to the recent research, the modern luxury SUVs have turned into the two-sided communication tools: they are both flexible and prestigious. The high visibility and the special shape of SUVs have become an icon of cultural success. The luxury car market in India, as [Shrivaastava and Menon \(2022\)](#) have shown, has increased by 23 percent even in the economic crisis of 2008-09.

THE INDIAN LUXURY SUV MARKET

Luxury items have found a prominent market in India due to the increasing purchasing capacity, demographic trends, and changes in social status desires of the rich class [Shrivaastava and Menon \(2022\)](#). Currently, the top companies in the Indian luxury cars market include Mercedes-Benz, BMW, and Audi, accounting for more than 85% of the total sales of luxury cars. In financial year 2021-22, the market share was highest for Mercedes-Benz (11,576 cars), followed by BMW (8,496 cars) and Audi (3,294 cars).



The luxury SUV category represents one of the most rapidly growing segments that hold strategic importance in this scenario. This growth can be attributed to a number of factors, which include rapid creation of wealth and increasing disposable income; a trend among the young and wealthy individuals towards performance and functionality in a single vehicle; higher levels of urbanization and the need for road presence and authority; and technological development allowing automakers to combine the utility offered by an SUV with the elegance of a sedan. India's luxury segment is expected to grow to USD 85-90 billion by 2030, with the UHNI population set to grow by 50 percent onwards of 2023 [Majumdar \(2024\)](#).

RESEARCH GAP

While some studies have touched upon issues such as luxury brand perception, customer loyalty, and luxury branding, these have been conducted at a general level [Al-Issa et al. \(2024\)](#), [Femina and Santhi \(2024\)](#). The research gap in relation to luxury SUVs in India can be described through four points. First, the issue of translating physical dominance of a car, including vehicle design proportion, vehicular size, and road domination, into perceptions of brand authority has received very little attention. Second, the lack of a comparative framework for exploring visual brand cues as indicators of perceived legitimacy and institutional prominence among the three major German brands is notable. Third, segmentation-based studies focusing on brand positioning, particularly from entry-level vehicles to flagship models, are almost entirely missing. Fourth, no attempts have been made to explore the relationship between the signal legibility-physical dominance-psychological dominance construct.

All these gaps have been addressed by the present study through its empirical exploration of SUV brand perception using four signalling.

OBJECTIVES OF THE RESEARCH

The study was undertaken with three interrelated objectives:

- In order to create a comparative basis for mapping the design features and brands of luxury SUVs on the four dimensions of status and prestige communication, namely the dimensions of legibility, physical domination, psychological power, and competence.
- In order to compare the unique positioning strategies adopted by BMW, Mercedes-Benz, and Audi, determining which dimension of signal is emphasized and if such an emphasis provides a competitive edge in the Indian market.
- In order to study the evolution of the signal communication strategy of BMW, Mercedes-Benz, and Audi as their products move from one SUV segment to another - from lower to higher - in terms of price range.

LITERATURE REVIEW

1) Luxury Branding and Symbolic Value

Luxury branding is characterized by a separate logic than positioning in mass markets. The key of the strategy for luxury branding consists of creating an aura of prestige and exclusivity, which can be both attainable and unattainably far away. According to [Al-Issa et al. \(2024\)](#), luxury brands represent wealth and status symbols whose significance surpasses their practical utility, carrying symbolic meanings such as identity and social position for the observer. Within the context of the auto industry, the symbolic aspect is critical because it is the main generator of value. Ownership of luxury automobiles generates psychological pleasure and social status that cannot be provided by their technical specifications only.

According to the scholarly literature, luxury cars create value through their physical properties and brand connotations. Therefore, brand differentiation necessitates strong signal legibility and communication of prestige and exclusivity. As argued by [Kapferer and Bastien \(2009\)](#), luxury brand management involves keeping distance from the client. The luxury brand should retain its aspirational characteristics while satisfying the consumer's needs. In the case of the Indian market, the presence of three rival German brands in the same consumer niche makes this principle a live competitive factor instead of a theory.

2) Perceived Value and Brand Loyalty

The value perception entails the multidimensional concept of value that has a complex structure. As per the current literature, perceived value is comprised of four components, which include: Functional Value (FV), Economic Value (EV), Symbolic Value (SV) and Hedonic Value (HV). The study conducted by [Femina and Santhi \(2024\)](#) on the owners of luxury vehicles in Kerala showed that Value is a factor in Attitudinal Loyalty and Economic Value directly influences Behavioural Hedonic Loyalty. Both are affected by Social and Symbolic Values. Notably, however, Functional Value (or baseline vehicle performance) is an element that does not forecast attitudinal and behavioural loyalty of consumers to the luxury SUVs. The conclusion is obvious - performance is anticipated. The brand is taken into consideration but not always preferred by performance.

Individuals in the luxury market build their self-image and develop psychological attachment to brands that help them feel congruent about themselves [Femina and Santhi \(2024\)](#). The implication for a luxury SUV is obvious – it has to work like an honest mirror of social image desired by a person. According to [Wiedmann et al. \(2009\)](#), the decision to purchase luxury goods and products is based on financial, functional, individual, and social values.

3) Physical Dominance and Visual Signalling in Automotive Design

According to [Shrivaastava and Menon \(2022\)](#), there has been an observable change in the luxury automotive segment of the Indian automobile industry where the emphasis of visual dominance, presence on the road, and sheer size is used as status signals in luxury sport utility vehicles replacing luxury sedans. The luxury SUV uses such deliberate signals as distinctive grills, upright body shape, and large exterior to convey status without requiring verbal communication about its brand.

As [Vigneron and Johnson \(2004\)](#) distinguish between the two types of prestige brands, conspicuous versus unique, where conspicuous signals are very clear and can be deciphered even by those outside the group while unique signals require a certain amount of knowledge about what they represent, it is possible to draw the difference between BMW which has a very clear and distinct kidney-shaped grill, compared to Audi, which is rather subdued and elegant. As per [Dr. D. Y. Patil. \(2015\)](#) research on luxury car buyers in western Maharashtra, association of the brand with prestige came as the number one factor in making the purchasing decision, above factors such as safety and technology.

4) Competitive Dynamics: BMW, Mercedes-Benz, and Audi in India

However, the luxury brand positioning strategies have been significantly diverse between the three major brands from Germany. First of all, Mercedes-Benz entered the market of India in 1994 and holds the strongest historical foundation, having established its

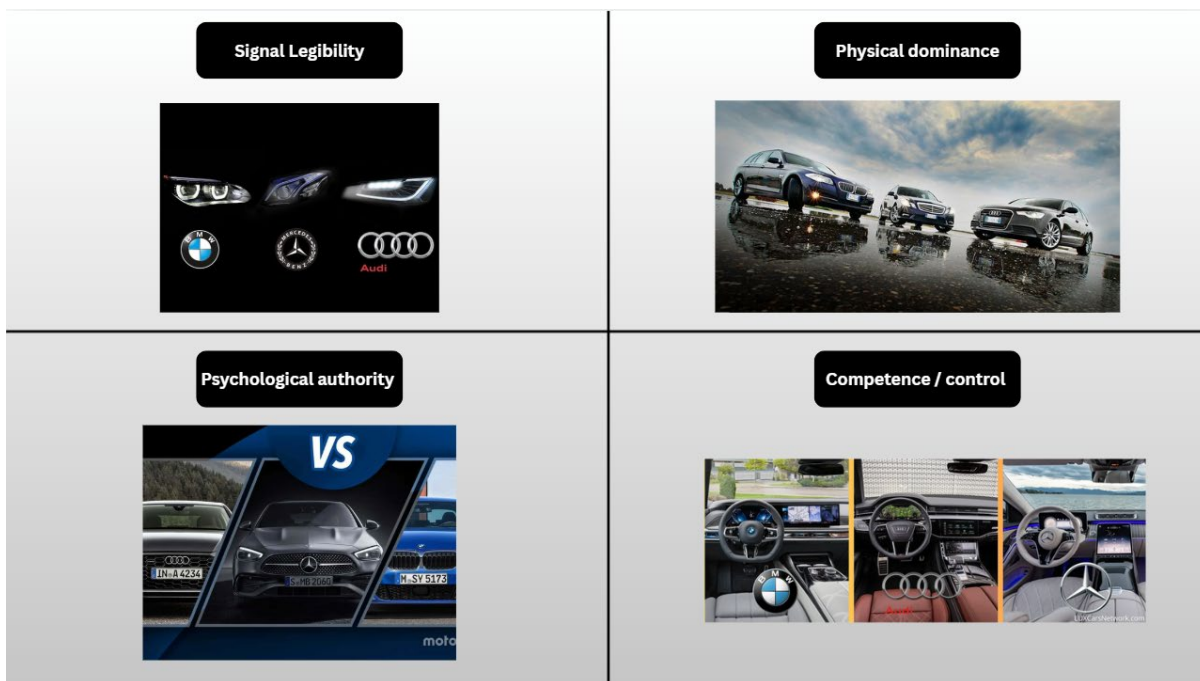
position via association with institutional respect and elegance. On the other hand, BMW appeared only in 2006, yet it managed to build its brand equity on driving pleasure and athleticism. Finally, Audi has positioned itself with an emphasis on precision of the technology and subtle design sophistication; in addition, this brand targets mainly the audience of younger professionals [Shrivaastava and Menon \(2022\)](#). According to [Bhutani \(2025\)](#), one of the reasons for success of Mercedes-Benz in India lies in its capacity to successfully transform aspirations into actions -namely, into purchasing behavioural.

According to [Shokeen \(2020\)](#), based on the findings from factor analysis conducted with regards to luxury cars buyers in Delhi NCR region, brand and company name was found to be the most important cluster of factors in the purchase of a luxury vehicle, accounting for 14 percent of variance - outweighing such important aspects as technology, safety, and cost-efficiency.

5) The Four-Dimension Brand Signalling Framework

The proposed framework has been developed through analysis of recurring themes across the reviewed literature. The first one, Signal Legibility, refers to the immediate and clear perception of a brand associated with a particular vehicle visual identity. Physical Dominance implies the notions of size, on-road visibility, and dominant appearance [Shrivaastava and Menon \(2022\)](#). Psychological Authority refers to the status and authority associated with the ownership of the brand. Finally, Competence/Control is related to the sophistication of technologies used in the cars and their driving precision [Femina and Santhi \(2024\)](#).

The outlined dimensions provide a tool for filling the gaps found in the literature, thus serving as an integrated model of brand-level positioning. This framework is visualized in the concept matrix used in this paper (refer to Figure 1.1).



HYPOTHESES

Based on the theoretical framework and research objectives, five hypotheses were formulated:

Table 1

Table 1 Research Hypotheses		
Hypothesis	Statement	Basis
H1	Prestige & Dominance has a significant positive influence on luxury SUV purchase intention.	Femina and Santhi (2024) , Al-Issa et al. (2024)
H2	Technology & Performance has a significant positive influence on luxury SUV purchase intention.	Shokeen (2020) , Femina and Santhi (2024)
H3	Brand Identity & Design has a significant positive influence on luxury SUV purchase intention.	Shrivaastava and Menon (2022) , Kapferer and Bastien (2009)
H4	There is no significant association between income level and brand preference among luxury SUV owners.	Dr. D. V. Paul. (2015)

H5 Purchase intention for luxury SUVs does not significantly vary across age groups.

Al-Issa et al. (2024)

METHODOLOGY

1) Research Design

The research design used in this study is quantitative research design to investigate the perceptions and reactions of luxury SUV consumers in Mumbai, Maharashtra to brand signalling strategies of BMW, Mercedes-Benz and Audi. The main data collection tool was a structured survey instrument, which allowed measuring brand perception on the four signalling dimensions and then making statistical inferences. This approach is consistent with prior quantitative research in the luxury automotive domain: [Femina and Santhi \(2024\)](#) used structural equation modelling on primary survey data, and [Dr. D. Y. Patil. \(2015\)](#) applied ANOVA and chi-square analysis to luxury car buyer survey data in Western Maharashtra. Both have methodological precedents of the approach taken here.

2) Sampling Method and Sample Size

The respondents were identified through a purposive sampling method, whereby the researcher selected those who own or have owned a luxury SUV. Face-to-face interviews and questionnaires were carried out with owners of luxury cars in a few selected dealerships and high-end social places in Mumbai, Maharashtra - so that the respondents were having first-hand experience of the brands in question. The final sample that could be used was 109 respondents. BMW had the highest share ($n = 49$, 45.0%), as it has a higher numerical presence in the survey sites. Each of the three companies, Mercedes-Benz and Audi, had 30 respondents (27.5% each). The sample was divided into four annual income brackets, most of the sample (54.1) had income between 25 lakh and 50 lakhs.

Table 2

Table 2 Sample Distribution by Brand		
Brand	n	Percentage (%)
BMW	49	45.00%
Mercedes-Benz	30	27.50%
Audi	30	27.50%
Total	109	100.00%

Table 3

Table 3 Sample Distribution by Annual Income		
Annual Income Bracket	n	Percentage (%)
Below ₹10 Lakh	5	4.60%
₹10 Lakh – ₹25 Lakh	19	17.40%
₹25 Lakh – ₹50 Lakh	59	54.10%
₹50 Lakh and above	26	23.90%
Total	109	100.00%

Table 4

Table 4 Sample Distribution by Age Group		
Age Group	n	Percentage (%)
18–25	25	22.90%
26–35	39	35.80%
36–45	5	4.60%
45+	40	36.70%
Total	109	100.00%

SURVEY INSTRUMENT AND DATA COLLECTION

Primary data were collected through a structured questionnaire comprising 22 brand perception items measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). The items covered four thematic areas:

- 1) Signal Legibility and Brand Recall: Recognizable, Distinct Design, Logo Identity, Luxury Communication
- 2) Physical Dominance and Road Presence: Road Presence, Size Powerful, Exterior Authority, Physically Imposing, Styling Power
- 3) Psychological Authority and Prestige: Social Status, Brand Prestige, Success Association, Authority Signal, Heritage Luxury
- 4) Competence, Technology, and Driver Control: Advanced Tech, Driving Precision, Engineering Excellence, Driver Command, Tech Confidence

Three additional items - Consider Purchase, Top Preference, and Recommend Brand - constituted the composite Purchase Intent Score. Categorical variables captured each respondent's brand of ownership, SUV segment (Compact, Mid-size, or Full-size), primary vehicle usage, age group, and annual income bracket. The survey was administered in-person across Mumbai dealerships and select social venues.

DATA ANALYSIS TOOLS

All data were coded and processed using SPSS (version 20) and JMP Statistical Software. The following analytical procedures were applied sequentially:

Table 5

Table 5 Statistical Tests Employed		
Analysis Type	Test / Tool	Purpose
Scale Reliability	Cronbach's Alpha	Assess internal consistency of the 22-item perception scale
Dimensionality Reduction	Exploratory Factor Analysis (EFA) - Maximum Likelihood / Varimax	Identify underlying perceptual dimensions
Predictive Modelling	Multiple Regression Analysis	Determine relative influence of factors on purchase intention
Correlation	Pearson Correlation	Confirm relationships between factors and purchase intent
Brand-Income Relationship	Chi-Square Test of Independence	Test whether brand preference varies by income
Age Variation	One-Way ANOVA	Test whether purchase intention varies across age groups

NOTE ON EFA FACTOR STRUCTURE

The EFA output generated four factors with eigenvalues exceeding 1.0. Factor 4 was retained during extraction but contributed only 3.28 percent of additional variance (cumulative: 70.2%). On inspection of factor loadings, Factor 4 did not produce a theoretically interpretable cluster - its highest-loading item (Road Presence, loading = 0.43) was already a strong member of Factor 1. Consistent with the guidance of Hair et al. (2010), who recommend retaining only factors with clear conceptual interpretability and eigenvalues substantively above 1.0, the three-factor solution was adopted. This decision is acknowledged as a limitation of the study.

FINDINGS

SCALE RELIABILITY - CRONBACH'S ALPHA

The measurement tool exhibited a high level of internal consistency. The Alpha of Cronbach on all 22 items was 0.867, which is more than satisfactory and well above the recommended 0.70 (Nunnally and Bernstein, 1994). The alpha-if-item- deleted values were 0.848-0.879, which means that none of the items undermined the overall scale - all 22 items were not dropped.

Table 6

Table 6 Scale Reliability Statistics			
Statistic	Value	Benchmark	Interpretation
Cronbach's Alpha (Entire Scale)	0.867	≥ 0.70	Strong internal consistency
Alpha-if-Deleted Range	0.848 – 0.879	No item weakens scale	All 22 items retained
Number of Scale Items	22	-	Perception + brand signal items

EXPLORATORY FACTOR ANALYSIS

Maximum Likelihood extraction and Varimax rotation were used to carry out EFA. The Test of Sphericity by Bartlett was significant ($p < 0.0001$), which proves the appropriateness of the data to be analysed by factor analysis. Three factors were retained, which together explained 70.2 percent of total variance - a value that indicates a high level of explanatory power in consumer behaviour research.

Table 7

Table 7 EFA - Variance Explained by Each Factor			
Factor	Variance	% of Variance	Cumulative %
Factor 1	7.521	39.58%	39.58%
Factor 2	3.384	17.81%	57.39%
Factor 3	1.811	9.53%	66.92%
Factor 4 (not retained)*	0.623	3.28%	70.20%

* Factor 4 was extracted but not retained due to insufficient theoretical interpretability (see Methodology, Section 5).

Table 8

Table 8 EFA - Rotated Factor Loadings (Varimax) - Key Items			
Item	Factor 1 Prestige & Dominance	Factor 2 Technology & Performance	Factor 3 Brand Identity
Size Powerful	0.923	0.041	0.036
Social Status	0.879	-0.225	0.138
Styling Power	0.869	-0.02	0.107
Authority Signal	0.856	-0.19	0.132
Physically Imposing	0.838	-0.084	0.024
Road Presence	0.838	-0.033	0.058
Success Association	0.825	-0.235	0.076
Brand Prestige	0.821	-0.219	0.101
Heritage Luxury	0.804	-0.14	0.117
Exterior Authority	0.726	-0.15	0.258
Driving Precision	-0.126	0.874	-0.003
Engineering Excellence	-0.108	0.853	-0.174
Driver Command	-0.127	0.801	0.002
Advanced Tech	-0.044	0.775	-0.009
Tech Confidence	-0.263	0.519	0.036
Luxury Communication	0.345	-0.084	0.683
Recognizable	0.07	-0.092	0.667
Distinct Design	-0.287	0.322	0.608

Logo Identity	0.39	-0.134	0.591
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The most theoretically important result of the EFA, perhaps, is that physical dominance and social prestige were not split into independent constructs but were loaded onto one unified factor (Factor 1 eigenvalue = 7.521, explaining 39.58% of variance). To the luxury SUV customers in Mumbai, the size and presence of a car on the road cannot be perceived without the social power that it signifies - an empirical finding that empirically confirms the theoretical convergence suggested by [Shrivaastava and Menon \(2022\)](#).

HYPOTHESIS TESTING - MULTIPLE REGRESSION

A multiple regression model was developed where the three factor scores were the independent variables and a composite Purchase Score (mean of Consider Purchase, Top Preference, and Recommend Brand) was the dependent variable. The model was significant ($F = 26.65$, $p < 0.0001$) and explained 43.2 percent of the purchase intention variance ($R^2 = 0.432$, Adjusted $R^2 = 0.416$).

Table 9

Table 9 Regression Analysis - Model Summary	
Statistic	Value
R^2	0.432
Adjusted R^2	0.416
Root Mean Square Error	0.473
F Ratio	26.65
p-value	< 0.0001
Observations	109

Table 10

Table 10 Regression Coefficients - Predictors of Purchase Intention					
Term	Estimate (β)	Std Error	t Ratio	p-value	Result
Intercept	6.092	0.045	134.58	< 0.0001	-
Factor 1 - Prestige & Dominance	0.292	0.046	6.32	< 0.0001	H1 Supported
Factor 2 - Technology & Performance	0.179	0.048	3.77	0.0003	H2 Supported
Factor 3 - Brand Identity	0.256	0.051	5.01	< 0.0001	H3 Supported

All the three hypotheses (H1, H2, H3) are accepted. Prestige & Dominance is the best predictor ($\text{Beta} = 0.292$), then Brand Identity ($\text{Beta} = 0.256$) and Technology and Performance ($\text{Beta} = 0.179$). The sequence is important: the purchasing decisions in this segment are pegged on symbolic and identity-based motivations, with functional attributes being secondary but statistically significant.

CORRELATION ANALYSIS

The regression results were supported by Pearson correlation analysis. Prestige & Dominance had the highest correlation with purchase intention ($r = 0.471$), then Brand Identity ($r = 0.379$) and Technology & Performance ($r = 0.266$). The three factors were almost orthogonal - inter-factor correlations were close to zero - the EFA solution was validated.

Table 11

Table 11 Pearson Correlation Matrix				
	Purchase Score	F1 Prestige	F2 Technology	F3 Brand Identity
Purchase Score	1	0.471	0.266	0.379
F1 - Prestige	0.471	1	-0.016	0.029
F2 - Technology	0.266	-0.016	1	-0.009

F3 - Brand Identity	0.379	0.029	-0.009	1
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BRAND PREFERENCE VS. INCOME - CHI-SQUARE TEST (H4)

A chi-square test of independence examined the relationship between annual income bracket and brand preference across BMW, Mercedes-Benz, and Audi.

Table 12

Table 12 Contingency Table - Brand Preference by Income				
Annual Income	Audi (n)	BMW (n)	Mercedes-Benz (n)	Total
Below ₹10L	2	2	1	5
₹10L – ₹25L	5	9	5	19
₹25L – ₹50L	16	30	13	59
₹50L and above	7	8	11	26
Total	30	49	30	109

Table 13

Table 13 Chi-Square Test Results - Brand vs. Income				
Test	Chi-Square	do	p-value	Result
Pearson Chi-Square	4.795	6	0.57	Not Significant
Likelihood Ratio	4.653	6	0.589	Not Significant

Note: 20% of cells had expected counts below 5; chi-square results should be interpreted with caution.

The result ($p = 0.570$) confirms H4. The preference of the brand does not depend statistically on the income level in this sample. The distribution of consumers across the three brands is similar among consumers at all four income levels - and this informs us that brand choice in the luxury SUV price band is not a matter of affordability. It is a perception and aspiration activity.

AGE VS. PURCHASE INTENTION - ONE-WAY ANOVA (H5)

A one-way ANOVA of four age groups (1825, 2635, 3645, 45+) did not show any statistically significant difference in purchase intention. The scores were fairly consistent over time, and only slightly higher in the 45+ group - a trend characterized in the data as a maturity effect. H5 is accepted: age is not a significant driver of purchase intention, which proves the universal, cross-demographic nature of luxury SUVs in this market.

Table 14

Table 14 Summary of Hypothesis Test Results			
Hypothesis	Test Used	Key Result	Decision
H1: Prestige → Purchase Intent	Regression	$\beta = 0.292, p < 0.0001$	Supported
H2: Technology → Purchase Intent	Regression	$\beta = 0.179, p = 0.0003$	Supported
H3: Brand Identity → Purchase Intent	Regression	$\beta = 0.256, p < 0.0001$	Supported
H4: No Brand–Income Association	Chi-Square	$\chi^2 = 4.795, p = 0.570$	Supported
H5: No Age–Purchase Variation	One-Way ANOVA	Consistent across groups	Supported

DISCUSSION

1) Prestige and Dominance as the Primary Purchase Driver (H1)

The result that Prestige & Dominance is the most significant predictor of purchase intention ($\text{Beta} = 0.292, r = 0.471$) is consistent with the theoretical standpoints of [Al-Issa et al. \(2024\)](#) and [Femina and Santhi \(2024\)](#), who claim that social signalling, self-concept reinforcement, and hedonic gratification are the main drivers of luxury consumption. The most theoretically important finding of the study is the convergence of physical dominance and social prestige into one perceptual factor - eigenvalue 7.521, which explains

39.58% of variance. To the Mumbai luxury SUV consumer, the scale of the vehicle and social authority are not different considerations; they are identical considerations. A prestigious vehicle is a large and commanding vehicle, and the other way round. This has direct implications on brand positioning. The most appropriate dominant factor is Mercedes-Benz, whose Indian brand image is based on institutional prestige and heritage. The fact that it has always scored higher on preference in the dataset - and that it has led the market (11,576 units in FY 2021/22 compared to 8,496 in BMW and 3,294 in Audi) indicates that its prestige-first strategy appeals to the perceptual priorities of Indian luxury SUV buyers more than either of the competitors.

2) Brand Identity as the Second Pillar (H3)

The second factor that was most influential (Beta = 0.256) was Brand Identity and Design, which highlights the importance of visual uniqueness - logo recognition, design language, and immediate legibility of luxury communication - in influencing the purchase intent. [Kapferer and Bastien \(2009\)](#) state that the capability to convey brand positioning in real time and unambiguously is in itself a competitive advantage. Empirical evidence is given by [Shokeen \(2020\)](#): brand name and company image are the most significant cluster of factors in the selection of luxury cars among buyers in Delhi NCR, with 14.02 percent of the explained variance.

Signal legibility acquires additional weight in Mumbai, where luxury cars are publicly visible indicators of professional achievement and social status [Dr. D. Y. Patil. \(2015\)](#). A car that is informative to the viewer can decode instantly and serve a social communication role that is not limited to individual preference. It is involved in the visible construction of identity - and that role is wholly dependent on the legibility of the brand signal itself.

3) Technology as a Necessary but Not Sufficient Condition (H2)

Although statistically significant (Beta = 0.179, $p = 0.0003$), Technology & Performance was ranked third in its impact on purchase intention. This aligns with the observation of [Femina and Santhi \(2024\)](#) that in the luxury segment, where hedonic and symbolic values are predominant, Functional Value does not have a significant influence on brand loyalty. Dr. D. Y. Patil (2015) also discovered that the luxury car consumers in Western Maharashtra placed Need for My Status (mean = 3.72) above safety and technology in their motivational scale. In this reading, technology is a qualifying condition - it has to be there, and it has to be plausible, but it does not in itself shift the needle on purchase preference. This is a strategic warning to Audi - whose brand identity in India is best linked to technological precision and engineering excellence. The competitive edge of Audi in the Technology and Performance dimension is real, but it is in a perceptual dimension where technology cannot bridge the aspiration gap between it and Mercedes-Benz. The data show that Audi is highly recognized but does not translate the recognition into purchase preference as its competitors do. According to the framework of this paper: Audi is rated highly on Competence/Control and lowly on Psychological Authority - and it is Psychological Authority that has the greatest influence on purchase intent in this market.

4) The Income Independence of Brand Choice (H4)

One of the most strategically significant findings of the study is the non-significant chi-square outcome ($p = 0.570$) between the level of income and brand preference. In the luxury SUV market, customers do not differentiate brands in terms of financial ability. The distribution of all the four income groups is similar among the three brands. The implication: competition in the high-end price range is on perceptual and aspirational levels, rather than affordability. [Femina and Santhi \(2024\)](#) provide a theoretical counterpart - Economic Value has a direct impact on Behavioural Loyalty, whereas Symbolic and Hedonic Values influence brand attachment. The practical implication on the brand managers is that price competition in this segment is not likely to cause brand switching. A consumer who is prepared to pay 65lakh on an Audi would in theory be prepared to pay 85lakh on status. Differentiation should then be at the perceptual level.

5) Implications for Brand Strategy

The results all put BMW, Mercedes-Benz and Audi in significantly different perceptual positions in the Indian market - positions that are generally consistent with their global strategies, but with significant local differences. The empirical findings are summarised in Table 14 to provide the strategic implications of each brand.

Table 15

Table 15 Brand-Level Strategic Implications

Brand	Dominant Perception Factor	Strategic Strength	Key Gap	Recommendation
Mercedes-Benz	F1 - Prestige & Dominance + F3 - Brand Identity	Strongest preference; highest heritage scores	Relatively lower among 26-35 segment	Maintain prestige narrative; deepen aspirational content for younger buyers in GLC/GLE range
BMW	F1 - Prestige + F2 - Technology	Strong with performance-oriented 26-35 segment	Less dominant in institutional prestige dimension	Leverage technology to bridge into prestige perception; soften aggression cues to broaden 36+ appeal

Audi	F2 - Technology & Performance + F3 - Brand Identity	High recognition; strong rational evaluation	Lowest conversion from recognition to preference	Develop stronger emotional and aspirational brand narrative; shift from 'precision' to 'desired precision'
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CONCLUSION

SUMMARY OF FINDINGS

This paper has created a four-dimensional brand signalling model - signal legibility, physical dominance, psychological authority, and competence/control - and used it empirically to 109 luxury SUV owners in Mumbai, Maharashtra, to compare the positioning of BMW, Mercedes-Benz and Audi across segments. Three major conclusions can be drawn. To begin with, the buying decisions in the Mumbai market regarding luxury SUVs are motivated by a single Prestige and Dominance construct, where the social status signal and physical vehicular power cannot be perceived separately. This aspect alone accounted 39.58 percent of overall variance in brand perception - a result that relegates technological and functional differentiation to symbolic positioning. Second, Brand Identity and visual legibility is a separate and strong second driver, which proves that the ability of a brand to convey luxury immediately is a competitive advantage in itself. Third, brand preference in this segment is statistically independent of income level, which confirms that luxury SUV brands in India are fighting on the perceptual and aspirational differentiation front rather than on the price positioning front. Mercedes-Benz shows the best fit between positioning strategy and the prevailing consumer perception drivers. BMW has a powerful but more focused niche, which focuses on younger consumers who are performance-oriented. Audi - even with high recognition scores and true technological credibility - does not turn recognition into purchase preference as often as its competitors. The most strategically pointed finding of this study is that gap.

PRACTICAL RECOMMENDATIONS

In the case of Mercedes-Benz, it should continue to build and deepen its institutional prestige story at all levels of the SUV, and invest in specific content to the 2635 age group - specifically around the GLC and GLE models - to create loyalty before that group moves up the aspirational ladder to full-size segments.

In the case of BMW, the focus should be on using its authentic Technology and Performance attributes more overtly as a point of entry into prestige perception. The disconnect between the Factor 2 strength of engineering excellence and the Factor 1 dominance that drives purchase intent would be bridged by campaigns that reframe engineering excellence as a form of authority, as opposed to performance. Taming the aggression signals in the X5 and X7 visual language would also expand the reach to the 36-45 and 45+ segments.

In the case of Audi, the most pressing strategic intervention is the creation of a more emotional and aspirational brand story. Shifting towards engineered desire rather than precision engineering - developing campaigns and experience content that transforms recognition into longing - would fill the fundamental conversion gap the data reveal. The recognition base of the brand is not lost; it is the mechanism that transforms awareness into preference that needs to be invested in.

LIMITATIONS

There are a number of limitations of this study. The 109 respondents were sufficient to the analytical procedures used but restrict the extrapolation to other areas outside the Mumbai metropolitan. The research is cross-sectional; longitudinal tracking would be required to determine the development of perceptions during product launch cycles and brand campaigns. The three-factor EFA solution entailed a judgement decision on Factor 4 suppression that, although theoretically sound, is a field of analytical subjectivity. The tool was based on self-reported data on perception, which can be affected by social desirability in a highly status-motivated situation. Lastly, the research fails to consider the rising role of electric vehicle sub-brands - BMW iX, Mercedes EQS, Audi e-tron - on overall brand perception, which is becoming a more and more important factor as the Indian high-end EV market gains momentum.

DIRECTIONS FOR FUTURE RESEARCH

Future research may extend the geographical region to cover Delhi NCR and Bengaluru in addition to Mumbai to allow cross-city comparative analysis of luxury SUV brand perception. A deep-dive segmentation - isolating entry (Q3/X1/GLA), executive (Q7/X5/GLE), and flagship (Q8/X7/GLS) SUV consumers - would help shed light on the variation in signalling strategies and their performance throughout the price range. Actionable brand equity monitoring tools would be offered through longitudinal research that would track brand perception prior to and after product launches. The quantitative results might be supplemented with the motivational nuance of qualitative research based on depth interviews with the owners of luxury SUVs. Lastly, a combination of social media sentiment analysis and survey data would shed light on how the digital brand signals interplay with the physical vehicle features in influencing the purchase process of the modern luxury consumer (Al-Issa et al., 2024; Majumdar, 2024).

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