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**Determinants of customers buying decision of locally assembled
light-duty vehicles: The case of Belay AB Motors**

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DECLARATION

This thesis paper entitled “**Determinants of customers buying decision of locally assembled light-duty vehicles: The case of Belay AB Motors**” is my original work towards the award of Masters in Marketing management. To the best of my knowledge all sources of material used had been properly acknowledged. I also confirm that this paper has not been accepted before for any degree in any University or College. Therefore, I hereby declare that I am the only author/person produced this paper in consultation with my advisor.

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Date: _____

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Date: _____

CERTIFICATION

This is to certify that the thesis prepared by Habtamu ayele , entitled, “**Determinants of customers buying decision of locally assembled light-duty vehicles: The case of Belay AB Motors**” is submitted in partial fulfillment of the requirement for the degree of Masters of Marketing Management complies with regulation of the University and meets the accepted standard with respect to originality and quality.

Signed by the Examining Committee:

Examiner _____ Signatue _____ Date _____

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Advisor _____ Signature _____ Date _____

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The Researcher

ACRONYM

ANOVA	Analysis of Variance
B2B	Business to Business
C2C	Consumer to Consumer
PRAT -	Product attribute
BRIM	Brand image,
ASSV	After sales service
PRF	Price factor
EXTF	External factors
PURDM	purchase decision making
TOL	Tolerance
VIF	Variance Inflation Factor

ABSTRACT

The objective of this study was analyzes the determining factors that affect buying decisions in locally assembled light duty vehicles of Belay AB motors in Addis Ababa.. specifically the study examine the influence of, Brand Image, After sales Services, Product Attributes, External Factors and Price Factor, on customer buying decision on locally assembled light duty vehicles in Addis Ababa in case in Belay AB Motors . The model, presented by, was chosen from different scholars as a framework for evaluating factors influencing factors that affect purchase decisions in locally assembled light duty vehicles of in Ethiopia. The study was used both descriptive and exploratory design using a quantitative approach through structured questionnaires that were distributed to 384 selected consumers in Addis Ababa and descriptive statistics and multiple regression techniques were used for analysis using Statistical Package for Social Sciences (SPSS). Findings from this research revealed that factors such as product attributes, brand image, after sales services and external factors (recommendation by friends/ family / credit facilities) have a positive and significant relationship with the purchasing decision , whereas price factors has negative effect on purchase decision of locally assembled light duty vehicles of Belay AB motors company. Recommendations based on findings and suggestion for future study is presented.

Key words: Purchasing Decision, Product attributes, Price factors, Brand image Aftersales services, External factors

CHAPTER ONE

1. Introduction

1.1 Background of the Study

Development and progress are observed on advancement of passengers cars in the number of passenger and cars in all corner of life in the world, thus made a great contributions to the economic development of a nation but also noticeably changes publics' life indicating that the automobile industry has cross the threshold of the innovation and technology in contributing to the growth and development the countries.(Abeera Amir, Muzaffar Asad 2018)

Consumers will repeat purchase when satisfaction came with the capability of the process of purchase or consume the goods so that (Gunawan, S. and Supit, V.H.(2014). as long as high quality goods and services convince the consumers and hence customers belief that company to be a profitable investment as well. (Hoffmann, Aand Ketteler, D. 2015).

The purchasing intention plays a major role in marketing to predict customers' buying behavior. Car buying intention frameworks are no exception. In Ethiopia Cars are valuable goods, which mean people buy a car with the intention of using them as long as possible and to make them as an asset. It is seldom for people to have this kind of decision making because they do not purchase an automobile each year, hence deciding to buy a car is much more involved and needs more rigorous consideration.

Understanding factors influencing customer behavioral intention in the decision process of purchasers has long been of enormous attraction to researchers and manufacturers. That was the purpose of this study. Purchasing a new car is a decision-making problem that illustrates customers' preferences and attitudes towards a product the consumers collect the necessary information, before purchasing the product, and grasps on decision and so purchase intention is frequently used to investigate consumer behavior (Bhakar, D. et al . 2013).

Presently, the Ethiopian car industry is conquered by imported vehicles. Studies showed that, growth in the economy is reflected by the achievement of the automobile industries that created job to and support to other industries as well. There has been an alteration in the favorites of consumers towards the passenger's cars that consumers is choosing to procurement of locally manufactured cars currently as people have shown their inclination towards the locally manufactured cars as the tastes of the consumers vary from one country to another by reason of different culture, attitude and presence of more choices and alternatives in purchasing automobile cars than previously.(Daniel Yilma 2018)

This study, therefore, is conducted to explore the determinant factors that affect the purchase decision to buy locally assembled light duty vehicles in Ethiopia based on the preferred and selected factors such as price, product, after sale service, brand image and other external factors

(recommendations by families/ friends and credit facilities) towards buying the locally assembled light duty vehicles of Belay AB motors PLC in Addis Ababa.

1.2 Statement of the problem

The purchase intentions of automobile consumers were analyzed in different studies in different countries. (Veena and Venkatesha 2008). Assessing the purchase intentions of the consumers is essential since it will support the companies to understand the products value and behavior of the consumers towards their products and executives and directors will have better acquaintance and information about the consumer purchase intentions and then analyze the important facts that influences the behavior of the consumers and companies policy makers would benefit for their industries.(Altaf, S.N. and Hashmi, N. 2016).

Following the aggressive competition and advanced technology in the Automobile industries , the automotive industrialists and car dealers are working to comprehend the consumers' preference on time and take fast actions to reflect market changes so rapidly as Consumers' product and service preferences are constantly changing (Choo, S., Mokhtarian, P.L, 2004). Thus, owners and managers and must have a comprehensive knowledge of consumer behaviors as automobiles today has become a necessity in our day to activities. Looking and studying the minds, perceptions and overall behavior of the prospective car buyers equally important to marketing strategies as well (Matin Khan, 2006). the privatization and government incentives and favorable policies in Ethiopia are currently creates an investment opportunities for private locally assembled automobile industries that lead to a high competition among the variety of private local vehicle assemblers and manufacturers and main growing markets for car manufacturers, assemblers and importers and the total populations of private vehicle owners in general.

The Ministry of Transport, in its latest report revealed that the total number of vehicles registered by the authority, at both federal and regional levels, has reached close to 1.2 million vehicles. According to the report, a total of 1,200,110 vehicles have been registered nationwide until the last fiscal year ending July 7, 2020.

The report shows that Addis Ababa has registered around 630,440 vehicles while Oromia (204,026), Amhara (106,434) and SNNPR have registered 118,424 vehicles. The above four regions rank from 1st to 4th, accordingly. The rest of the regions, according to the Ministry, rank from 5th to 11th with Tigray registering 60,800 vehicles, Dire Dawa Administration (24,510), Somali (19,579), Harari (10,728), Benishangul Gumuz (10,655), Afar (8,277) and Gambella registering 6,237 vehicles, respectively.

Private vehicle assemblers in the local market are unable to penetrate the market and compete with importers of different brand of cars, despite the fact that demand for the automobile industries and cars are escalating and the government policies are creating conducive environment for the growth of the automotive industry.

Research conducted on the Ethiopian automobile industries compare to the international automobile sector, where substantial research has been done was few and not organized well. So far there is little organized and comprehensive study conducted on consumer's vehicle buying behavior in the private car segment conducted with specific reference to the capital city of Addis Ababa.

The researcher once evaluating various related studies carried out by other researchers and reviewing literatures, this study is prepare to assess the determinates of consumers buying decision in locally assembled light duty vehicles in Ethiopia. To best of the researcher knowledge, there is only few studies conducted relationship of all these factors with the purchase intentions of the consumers in Ethiopia. As the purchase decision of the consumers are related to the consumer's readiness to acquire and Purchase decision is part of the behavioral intention , therefore, this study is conducted to assess the influence of different factors on purchase decision specifically to Belay AB motors light duty vehicles that are currently locally manufactured in Ethiopia .

1.3 Researches Questions

The researcher will try to answer the subsequent specific research questions:

1. To what extent do product attributes affect buyers' purchase decision of Belay AB Motors locally assembled light-duty vehicles?
2. To what extent does the brand image of Belay AB Motors locally assembled light-duty vehicles affect buyers' purchase decision?
3. How does the after-sales service of Belay AB Motors locally assembled light-duty vehicles affect buyers' purchase decisions?
4. To what extent does the price of Belay AB Motors locally assembled light-duty vehicles affect buyers' purchase decisions?
5. How do external factors such as social influences and credit facilities of Belay AB Motors locally assembled light-duty vehicles affect buyers' purchase decisions?

1.4 Objective of the Study

1.4.1 General objective

- To determine the factors affecting the customers purchase decision on locally assembled light duty vehicles in Addis Ababa in case of Belay AB motors.

1.4.2 Specific objectives

- To analyze the effect of product attributes on buyers' purchase decision of Belay AB Motors locally assembled light-duty vehicles.
- To study the effect of brand image on buyers' purchase decision of Belay AB Motors locally assembled light-duty vehicles
- To examine the effect of after-sales service on buyers' purchase decision of Belay AB Motors locally assembled light-duty vehicles.
- To assess the effect of price on buyers' purchase decision of Belay AB Motors locally assembled light-duty vehicles
- To examine the effect of external factors such as social influences and credit facilities of buyers' purchase decision of Belay AB motors locally assembled light duty vehicles.

1.5 Hypotheses:

For the purpose of analyzing the determinants of purchasing making decision in the study population, the following relationships are hypothesized,

H1: Product attributes positively affect buyer's purchase decision of Belay AB Motors locally assembled light-duty vehicles.

H2: Brand image positively affects buyer's purchase decision of Belay AB Motors locally assembled light-duty vehicles.

H3: after sales service positively affects buyer's purchase decision of Belay AB Motors locally assembled light-duty vehicles.

H4: Price factors positively affect buyer's purchase decision of Belay AB Motors locally assembled light-duty vehicles.

H5: External factors such as social influences and credit facilities positively affect buyer's purchase decisions of Belay AB Motors locally assembled light-duty vehicles.

1.6. Significance of the study

The study will address the knowledge gap relating to the purchasing decision of consumers on locally assembled light duty vehicle in the local market. Results will also supplement to the prevailing knowledge and serve as a basis for further studies to this matter.

The study will also support the planners, decision makers and marketing experts to have a direction and first-hand information on the determinants of buyers' purchasing decision of their products

1.7 Scope of the study

The research only focused on effect of independent variables; (product attribute, brand image, after sales service, price factor and external factors) on customer purchase decision making (dependent variables) towards locally assembled light duty vehicles of Belay AB motors after review of related literature and observed empirical gap in the area despite the fact that there were other factors that affects the purchase decision making.

Methodologically, the research were limited only to questionnaire and takes in to account for the study population will also limited to Belay AB motors automobile and geographically in the area of Addis Ababa city due to its immediacy and abundance of its customers found in Addis Ababa city.

1.8 Limitations of the study

This research was focused to investigate the effect of independent variables; product attribute, Brand image, aftersales service, price factor and external factors such as recommendation/ use by family/ friends and credit facilities on the purchase decision of Belay AB motors automobiles. Though the consumer buying behavior is multifaceted and exaggerated by, social, personal, cultural and psychological factors, the research were limited only too few explanatory variables that were mentioned above.

1.9 Operational Definition and Terms

Consumer Behavior

Consumer behavior is all about human responses that people consume and buy products conferring to their needs, preferences and buying power

Buying Behavior

Buying behavior is an the actual buying (purchasing) behavior of the consumer and factors influencing the decision-making process

Brand Image.

It is the mental picture or perception of a brand or a branded product or service and includes symbolic meanings that consumers associate with.

Purchase Intention.

It is the sign that generates a buyer towards considering a product or a brand to be involved in the reflection set, result anticipation out of the use of the product or a service

1.10 Organization of the study

This study was prepared on five chapters. Introduction was the first chapter that contains the background, problem statement, study's objective, research questions, hypothesis, significance scope and limitation of the study. The second chapter is the literature review. The third chapter is the methodology followed by summary of research findings, presentation and analysis and the conclusion and recommendation in chapter four and five respectively.

CHAPTER TWO

2. Review of Literatures

2.1 Introduction

This chapter presents the existing literatures of theoretical and Empirical reviews on consumer decision making to understand the current thinking on how consumers make purchase decisions.

2.2 Theoretical Reviews

2.2.1 Decision making theories

The decision literature can be classified into broad categories: Planned Behavior theory model, Normative, Behavioral and Naturalistic. In this section the differences between these different approaches to studying consumer decision behavior is identified.

Theory of Planned Behavior (TPB)

Theory of reasoned action has some limitations when it comes to the behavior of people with incomplete volitional control. Therefore, this has led to the existence of the theory of planned behavior (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). Just like the original theory of reasoned action, the intention of the individual to perform the behavior plays a main role in the theory of planned behavior.

In order to perform the behavior, intentions are believed to have motivational effect on behavior. It needs to be studied since it can be an assist of determining people's willingness to try the behavior in question (Schifter & Ajzen, 1985; Ajzen & Madden, 1986). It requires to be considered that the behavioral intention can only help individuals whose behavior is under volitional control (Ajzen, 1991). There are some non-motivational factors such as the availability of requisite resources and opportunities affecting the performance of behaviors (Ajzen, 1985).

All of these factors together represent the actual control of people over their behavior. If the person under study has intentions to perform the behavior and also the resources and opportunities necessary to do so, he/she should have been able to do so (Ajzen, 1985).

The importance of actual behavioral control is obvious by itself. The person's available resources and opportunities also show the likelihood of behavioral achievement. It is necessary to mention that the perception of behavioral control has even greater psychological interest than the actual control. Perceived behavioral control has an undeniable role in the theory of planned behavior. In fact, perceived behavioral control is the thing that makes difference between the theory of planned behavior and the theory of reasoned action (Rotter, 1966).

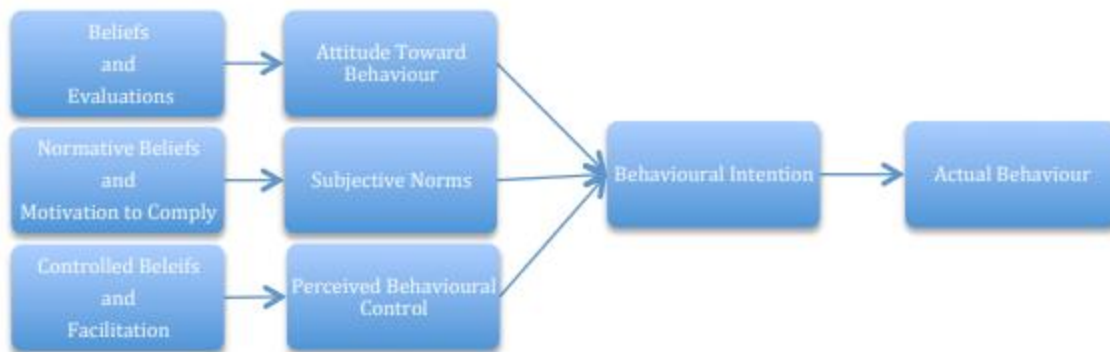


Figure 2.1 Theory of Planned Behavior (Janzen, 1991)

Normative decision theory

Normative Decision Theory originated in the economic discipline. Earliest researchers viewed decision-making as gambles and decision makers as “economic” means striving to maximize payoffs. The word ‘normative’ describes how decision makers should behave in order to obtain maximum payoffs. Examples of Normative Decision Theory include Expected Utility Theory (von Neumann & Morgenstern, 1947) and Subjective Expected Utility Theory (Savage, 1954. von Neumann & Morgenstern, 1947, Edwards, 1954,; Simon, 1955)

Expected Utility Theory proposes that for each option, there are objective payoffs (x), and for each level of payoff, there is a corresponding psychological value, called the utility of the payoff (u), and associated with each level of payoff, there is an objective probability of occurrence (p). The expected utility (EU) of an option can be expressed by the following mathematical formula:

$EU = \sum [p_i] [u(x_i)]$ Where p = objective probability of outcome i ; u = utility of outcome i ; and x = payoff (gain or loss) associated with outcome i .

The expected utility (EU) of each decision alternative is the sum of the utilities of the potential payoffs, each weighted by its objective probability of occurrence (Teder, 2000, p. 23). The decision maker then chooses the option with the highest expected utility. An important extension of the Expected Utility Theory is the Subjective Expected Utility Theory proposed by Savage (1954).

The main difference between the two is that the former uses objective probabilities, while the latter uses subjective probabilities. By substituting subjective probabilities for objective probabilities, Subjective Expected Utility Theory proposes that the decision maker may be uncertain about whether the various outcomes (payoffs) will actually occur if the option is chosen (Beach, 1997). Apart from these differences, the two normative theories share similarities: Both are representing a linear additive model, and the implied decision process is compensatory involving tradeoffs between gains and losses and involving two normative

constructs: utilities (subjective values of payoffs) and probabilities (objective or subjective). Moreover, both are assuming that decision makers know their own preferences as expressed in utilities with certainty. (Fischer et al., 2000,)

Normative Decision Theory is actually a family of theories (Edwards, 1954) and at their core is a rational decision maker. Two normative constructs: utilities and probabilities underpin normative decision theories. First, Decisions are based upon unlimited information,

Consumer decision-making is a complex process. However, the normative assumptions are imposing an order on the complexity of decision-making. Over time, there has been growing discontent with the normative approach to studying consumer decision-making because the observed decision behavior often violates the underlying assumptions of Normative Decision Theory. Researchers challenged normative assumptions leading to the development of Behavioral Decision Theory. (Beach, 1997)

Behavioral decision theory

Behavioral Decision Theory emerged when decision researchers observed that decision makers seldom make explicit tradeoffs, let alone explicit use of probability (e.g. Simon, 1955), and their preferences are constructed, not invariant (Payne, 1982; Smith et al., 1982). The rational decision maker depicted by Normative Decision theory was challenged by Simon (1955) who argued that decision makers have only bounded rationality and also seeking to satisfice, not maximize. Simon (1955) argued that Normative Decision Theory put “severe demands upon the choosing organism”, and that consumers do not necessarily search for all available alternatives, but chooses the first feasible alternative that exceeds a given amount of payoffs. This is the classic Satisficing strategy that Simon (1955) proposed to be employed by decision makers “in complex choice situations”

Another important distinction between Normative and Behavior Decision Theory is that the latter recognizes that decision makers construct their preferences on the spot, using various information processing strategies in different situations defined by exogenous variables such as decision task size information presentation , negative attribute correlation and time pressure (Ariely, 2000, Kivetz & Simonson, 2000, Fischer et al., 2000;)..

When researchers observed that the normative principle of preference invariance failed under real-world circumstances (e.g. information overload, missing information, severe time pressure, an inexperienced decision maker), they were questioning Normative Decision Theory’s ability to describe decision-making in real world settings.

Researchers point out that there are two main reasons for failures of preference invariance: first, decision makers are uncertain about attribute weights especially in situations where there is perceived conflict between the desired attributes (Fischer et al., 2000).

For example, consumers may find that cars of higher safety and security standards are more expensive. This contrasts with situations of a clearly dominating alternative where choice of the dominating alternative is easy. Second, decision makers are uncertain in assigning values to various outcomes.

Researchers found that provision of decision aids such as a consumption vocabulary may assist consumers to understand their own preferences. In contrast, Normative Decision Theory assumes that the decision maker know exactly what alternatives are available, what the outcomes of each alternative will be, and how he or she would like these outcomes.

Behavioral decision researchers have proposed various decision strategies these various decision strategies are more or less cognitively demanding. Less cognitively demanding strategies are referred to as simple strategies or 'heuristics' (see Payne et al., 1988). More cognitively demanding strategies are referred to as 'analytical' strategies (see Beach & Mitchell, 1978). Researchers argue that no one decision strategy is the most efficient across all. The choice set is a subset of the original set of alternatives, some of which are acceptable to the consumer and some of which are not and are therefore not considered when the final choice is being made. The acceptable alternatives are the choice set, from which the final choice is made (Lapersonne et al., 1995).

Simple strategies (strategies not requiring tradeoffs or extensive information search) are as accurate and often more accurate than analytical strategies (strategies involving explicit tradeoffs and requiring extensive information search) (Payne et al., 1988). This is due to the fact that strategies involving an initial processing of all alternatives on one or a few selected attributes are the most accurate and the least effortful under severe time pressure (Payne et al., 1982)

Naturalistic decision theory

Naturalistic Decision Theory originated from the discipline of organizational behavior. Researchers have developed various naturalistic decision models based on their observations of how decisions are made by individuals in natural environments. Naturalistic Decision Theory was developed to describe on-the-job decisions made by individuals due to the fact that normative and behavioral decision research has focused on the "decision event" where the alternatives are generated externally (Orasanu & Connolly, 1993)

To date, generalization of the naturalistic decision models to the marketing context has remained difficult. Dominance Search Model and Image Theory assume externally generated alternatives and propose decision strategies to screen or to choose from these alternatives in relatively stable environments (Lipshitz, 1993a). Thus the two naturalistic decision theories are more relevant to consumer purchase decisions and have been used by researchers to examine consumer behavior in various decision contexts.

Dominance Search Model

Dominance Search Model proposes that the decision maker goes through four stages of searching for a dominant alternative, using different decision strategies at each stage. "An alternative is said to be dominant if it is at least as attractive as its competitors on all relevant attributes, and exceeds each of them on at least one attribute" (Lipshitz, 1993a). The four stages are pre-editing, finding a promising alternative, dominance testing, and dominance structuring (Dahlstrand & Montgomery, 1984)

Image Theory

Image Theory is the most comprehensively and thoroughly developed naturalistic decision model (G. A. Klein et al., 1993). Image Theory has two major components: Compatibility Test and Profitability Test:

1) Compatibility Test

It addresses the pre-choice process of eliminating unacceptable alternatives, that is, the mechanism that governs which alternative. The pre-choice process is the screening process, which is “the process by which they (consumers) arrive at the choice set prior to choice”. It assumes that the decision maker recognizes the situation and determines the match or compatibility between each alternative and the situation. It also assumes that the decision maker examines one alternative at a time to examine the match or compatibility and views consumer decision-making as expressive behavior to actualize the decision maker’s goals and values.

2) Profitability Test

Beach & Mitchell, (1978) proposes an accuracy-effort framework to explain contingent strategy selection by consumers when choosing from the final choice set. According to the cost-benefit analysis, all decision strategies can be defined by the expected net gain which is the difference between the expected benefit and the expected cost given the decision context (the final choice set), the decision maker will select the decision strategy, which maximizes the expected net gain.

Decision making strategies

The decision-making theories have given rise to the identification and categorization of different decision strategies for making purchase decisions and research has revealed that each decision maker has a repertoire of decision strategies (Bettman et al., 1998). These decision strategies as: “A sequence of mental and effector (actions on the environment) operations that transform some initial state of knowledge into a final knowledge state so that the decision maker perceives that the particular decision problem is solved”. Researchers argue that different decision strategies involve more or less cognitively demanding elementary information processes. How consumers use these various decision strategies is discussed in this section. (O. Huber, 1980; Payne et al., 1982)

Purchase Intention

Purchase intention is widely defined as a tendency (Yoo, 2000), or willingness to buy a product or service of a consumer (Dodd and Supa, 2011; Sam and Tahir, 2009). It refers to an individual conscious plan to attempt to purchase a certain brand (Spears and Singh, 2004). The concept of buying intention stemmed from psychological studies and is extensively used in research on consumer behavior (Dodd and Supa, 2011).

Purchase intention is the characteristic of the behavioral tendency for buying the goods by consumers (Monroe and Krishnan, 1985) and an important key for the actual purchasing decision (Tan, 1999)

Li et al. (2002) revealed that the effectiveness of purchase behavior measured by the purchasing intention of customers. According to Diallo (2012), there are four measures to evaluate purchase intention: planning to buy, having budgeted money to buy, considering to buy, and having the tendency to buy. Purchase intention is regarded as the conscious plan of buying goods or services in the future based on the ability to commit (Warshaw and Davis, 1985).

Ethiopian Automotive industry

One of the major contributors' to the national economy of Ethiopia is Ethiopia's automotive industry in general and the local assembling industries in particular, that contributes to the GDP, employment opportunities and income, economic growth and treasured for foreign direct investment. Following the liberalization of the economy and investment opportunities local assembling industries and manufacturers announced considerable innovative and technological advancement in their models and images that customers on the other hand have in progress to adjustment over to the new models of cars to costume their changing life styles (Eskinder D., 2007).

As shown in different studies customers offered different prices, use and emotional affections en route for the products they used. These leads the marketing experts have been always of great interest to study the consumer behavior to put the position of their products and improve the effective marketing strategies (Chernev, A., 2006). Researcher in the field revealed that consumer's buying behavior is highly influenced by d psychological, demographic, economic, cultural, social and geographical factors that are overwhelming outside the hands of the vendors, and have to be considered while demanding to understand the complex behavior of the consumers such as vehicle purchase parameters, the decision making process, the parties who influence consumers purchase decision and high class status. (Belay AB. 2007).

However owing car especially in a mega city like Addis Ababa is not only an option, but becoming almost a necessity to facilitate businesses and ease everyday activities like travelling to work or delivering goods to consumers. Likewise, the rapid industrialization and modernization sweeping at this time through many Ethiopian cities and towns have resulted in an increased demand for capital goods such as machinery, lubricants, spare parts, ball bearings and other automotive mechanical goods and accessories.

As consumers' product and service preferences are constantly changing so does the private car market industries changed equally. This makes marketing experts and the automotive manufacturers and car dealers to appreciate the consumers' preference on time and take fast actions to reflect market changes quickly (Choo, S., Mokhtarian, P.L, 2004).

The consumers aim at attaining optimum consumer surplus, be it durables or non- durables, while making such purchases to satisfy their wants. For this reason, the marketers do continually rely on research studies about the dynamic consumer behavior to position their product planning and development strategies to meet the requirements efficiently. This complex consumer buying behavior does, therefore, necessitate a critical investigation by the researchers in every nook and corner of the world. Considerable research has been done in the world but few studies has been conducted on the Ethiopian automobile industry in systematized and complete way so far.

Contrary to the most cars that are imported that are causing pollution, and cost a lot of money to import spare parts, foreign and domestic investors are currently established a local car assembly appeared in Ethiopia with a comparable price of imports creating a competitive advantage and benefiting inexpensive work force, and creating employment opportunities for the citizen.

2.3 EMPIRICAL REVIEW

Quality of the products having a brawny impact on customers' perceived value (Garvin,1984), though price of the product also strongly influence customers' perceived value. In supporting these results of the study, (sharp, 2012) has identified that majority of the customers have compared different brands and based on that making purchase by not only considering quality of the product but also the benefits of using the product. Earlier studies have concluded that customer's perceived value has strong correlations with products price, quality and benefits in broad sense.

Consumer Perceived Value

Customer perceived value is an amount of potential customers that the company having and it is outcome of what customers paying and in return what they are receiving (Sweeney and Soutar, 2001). Customer perceived value is a bundle of different dimensions such as operational value, conditional value, psychological value, communal value and cognitive value (Sheth, Newman, and Gross, 1991). In which operational value creates an intention to purchase, psychological value stimulates interests on a particular products (Woodruff, 1997). Thus, customer perceived value evaluates that what customer is paying and what he is getting in return (Bolton and lemon 1999).

It is an important component for benefits received by the customers and thus it replicates customer's satisfaction over the product. Further, the amount of customer's satisfaction will increase only when they are reaping more benefits from products. Accordingly it influences dynamically other persons' purchase decision also (Yang and Jolly 2009). Hence, manufactures should concentrate on how to increase the value to their products and thus customers may perceived more value from the product. Consequently, customers will engage in positive word of mouth marketing with prospective consumers.

Brand

Aaker (1991) defined brand as a series of brand associations stored in a consumer's memory. Keller (1993) defined brand image as the sum the total of brand associations held in the memory of the consumers that led to perceptions about the brand. Keller also classified the associations of brand image into quality dimension and affective dimension. Experiential brands, with their emphasis on sensory/cognitive stimulation, encourage frequent consumption.

This heightened level of use may lead to satiation and weaken the experiential image unless consumption is controlled. For functional brands satisfaction is less serious given that the brands continue to fulfill functional needs. Satiation is also less likely for brands with symbolic concepts as long as the brand's association with the group or self image is properly maintained. Consumption itself does not generate satiation for these brands (Park, Jaworski and MacInnis, 1986).

The basis for reinforcing the image of brands with a functional concept via an image-bundling strategy should be the brand's relationship to other performance-related products. For brands with symbolic concepts the image is generalized to referent-based products. The image bundling strategy for products with symbolic concepts helps to create a perceived value among the consumers.

Price

Price is one of the dominant factors that determine the success of business. A suitable pricing strategy can increase the sales volume in a considerable level, on the other hand an improper pricing strategy may lead to decrease the sale volume and led to generating problems and its results there will be problem in business (Wasserman, 2010). Thus, Price plays an important role in marketing mix and hence the company should concentrate more on pricing strategy. The pricing strategy of an organization affects overall company strategy including manufacturing, distribution, and sales promotion strategies. From the companies' point of view, a company should use the price reference in order to compare its selling prices with internal as well as external price references (Hsu and Pham, 2015).

While from consumer perspective, price plays a predominant role in consumers' purchasing decision. Fixing a suitable price for a goods and services is an essential as well as a difficult task. Hence companies should pay more attention on it (Wasserman, 2010). Price is one among the 4Ps of marketing mix and is the only factor that makes earnings and thus paves a way for the product success (Al-Salamin and Al-Hassan, 2016). Therefore, a single pricing strategy won't suitable for all single products , for this reason companies should draft different pricing policies for each single product by considering the factors such as customers, rivals, quality, and overheads (Wasserman, 2010).

Since price is the function of the capable to sell, it helps companies to generate more income and to cover the costs associated with manufacturing and for potential development. Therefore, manufactures should understand customers' opinion towards the products and the level of price they are willing to pay for it. Thus, price plays an important role in creating perceived value in the minds of the customers

Quality

In the modern marketing world product quality is considered as an important factor for product success and also it plays a major role competing marketing completion (Garvin, 1984). A good quality product helps the marketers and manufacturers to satisfy their existing and prospect customers and thus it leads to higher sales volume (Smith and Wright, 2004)

The quality of the products can be measured by the customers by mount up the total benefits of the products and a personal bondage on the quality offerings (Zeithaml, 1988). In general, good quality products will have the capable of fulfilling the needs and wants of the customers in exchange for monetary considerations. A good quality of the product build with the attributes of operational and behavioral usefulness attached with the product.

Smith and Wright (2004) described product quality as extent to which products provided by a brand meet the expectations of customers. They added that that product quality improvement should lead to higher levels of customer satisfaction and increased the sales. Product quality can be evaluated according to the judgment of customers on the accumulative product utility and a subjective feeling on quality offerings (Dodds et al., 1991). Moreover, thought about product quality as those characteristics of a product that satisfy customers’ wants and needs in exchange for monetary considerations. He added that if a consumer is satisfied with the product, then the quality is deemed to be acceptable.

It also added that customers link product quality to variables, such as brand name and price. This is because the product brand establishes an image in the minds of customers in terms of the quality, and as a result it becomes the basic motive for their choice of a particular product from the same brand (Vranesevic & Stancec, 2003). Product quality is comprised of the features and the characteristics that make up that product besides its ability to satisfy customers’ needs and thus it stimulates customer perceived value. Therefore: H3: Quality is positively related with customer perceived value.

Design

Products are the things which readily available in the market with the capable to buy, utilize, feel, and thus satisfying the needs and wants of the consumers. General products are not simply the sets composed of tangible product attributes, but products being sold in the market, including physical products, services, experience, events, characters, locations, belongings, organizations, information, and ideas (Howdhury et al., 2014). Due to the marketing revolution, the progress of design has been the transformation between industry and art. Designers work hard to seek for the adaptability between the two in order to pursue new creativity and guide human lifestyles toward design styles and trend. Parameshwaran et al. (2015) regarded design as the overall attributes of products demanded by consumers, which would persuade product appearance, features, and problem-solving.

Lee (2014) planned product design as a creative strategy to help an enterprise obtain competitive advantages in the market. In this case, product design was the key success factor in the market that it could not only attract consumer attention, but could also clearly communicate with consumers to promote product value.

Homburg et al. (2015) stated that product design played an important role in the communication of product use and operation procedure with consumers as it was the mutual arrangement and match of product configuration and elements to enhance the functional and economic pleasure of products. Accordingly, the idea of human-factors design is introduced to product design to

emphasize the interaction between people and products and is a critical factor in consumers operation and use.

Utility

Sharp (2012) found that product utility become more and more important in business along with the development of the relationship between demand and supply in the market. This relationship is dynamic because the power of each side changes along with the development of the business world. The fast developing business world not only fostered companies in earning incomes, it trained consumers to gain more benefits in their spending. Consumers became more rational and smarter.

Today, consumers are more concerned about product utility rather than just quality. Companies need to identify product utility from the customers' point of view because customers hold more power in today's market. Therefore, Sharp defined product utility as the experiences, functions, and satisfaction that the customer receives from the spending. In addition, if companies want to increase their sales, they need to consider how much utility they can provide to customers through a product with a reasonable price.

Further, pointed out that product benefit in the consumers' perspective has three main dimensions. The first dimension is the brand value. The brand value represents what the brand stands for and what the company promises to customers through its products or services. The second dimension is the product value. The product value mainly represents the product's qualities. In other words, the product value is the benefits customers receive for the price they pay. The last dimension is the relationship value. The relationship value is the perceived value of customers' experiences with the staff in the company. It contains the experiences communicating with company staff in sales, service, claim, and technical support (Sharp, 2012). Therefore: H5: Product utility is positively related with customer perceived value.

Technical Considerations

Today's consumers are continuously bombarded with new product promotions. Although consumers in industrialized countries are generally pro-innovation, they have increasingly experienced a certain level of technology fatigue and may not readily adopt every new product (Weil and Rosen, 1997). The frequency of new product introduction and the complexity of new technologies and related purchase decisions frustrate the consumers and may slow down their adoption.

The new reality highlights several problems with the existing adoption research. First, the literature on innovation adoption has largely relied on Rogers' (1996) classification of adopter groups for identifying consumers' adoption propensity. This distinction, based mainly on consumer innovativeness, suggests targeting new products to the innovators and then the other less innovative groups in a sequential manner. This view has been challenged in recent years.

Mick and Fournier (1998) posit that the characterization of the late majority and laggards as homogeneous groups of technology resisters is oversimplified. In fact, many consumers have already adopted the previous generations of products. From time to time, they need to decide

whether to keep using the existing product or upgrade to a new version. There is no evidence that the same adoption pattern will repeat itself. Unfortunately, we have little knowledge about how consumers make such “upgrade” decisions. Second, since consumers are users of the existing technology, we cannot assume that they are complete novices. On the contrary, they may be very knowledgeable about the product category and such knowledge inevitably affects their perceptions of new products.

Consumers invariably have reasons to be cautious and skeptical. Most consumers do not want to buy into fads but purchase only those new products that are technically viable (Boyd and Mason, 1999).

External factors

Social influences play a vital role when the consumers are making decision on purchasing. This external factors include recommendation/ use by friends as persons tend to be at ease of influencing by the confrontations of others (Kelman, 2011, Daniel Yilma 2018)

Perceived Value and Purchase Decision

Perceived value is an essential concept in marketing literature because of its positive outcomes such as consumers’ satisfaction and loyalty (Gallarza, Gil Saura, and Holbrook 2011). Values are implicit criteria, which customers apply when judging their preferences. Research shows that perceived value affects customers’ purchase intention.

Perceived value results from customers’ preferences and evaluation. Customers have expectations when purchasing and consuming products and the more their expectations are fulfilled, the more value they will consider for the products (Bao, Bao, and Sheng 2011). If consumers have a positive and desirable perceived value and they have purchase intention, it can optimistically be said that a particular brand will be purchased with regard to the link between these two variables (Aghazadeh, Gholipor, and Bakhshizadeh 2014).

2.4 Conceptual Framework

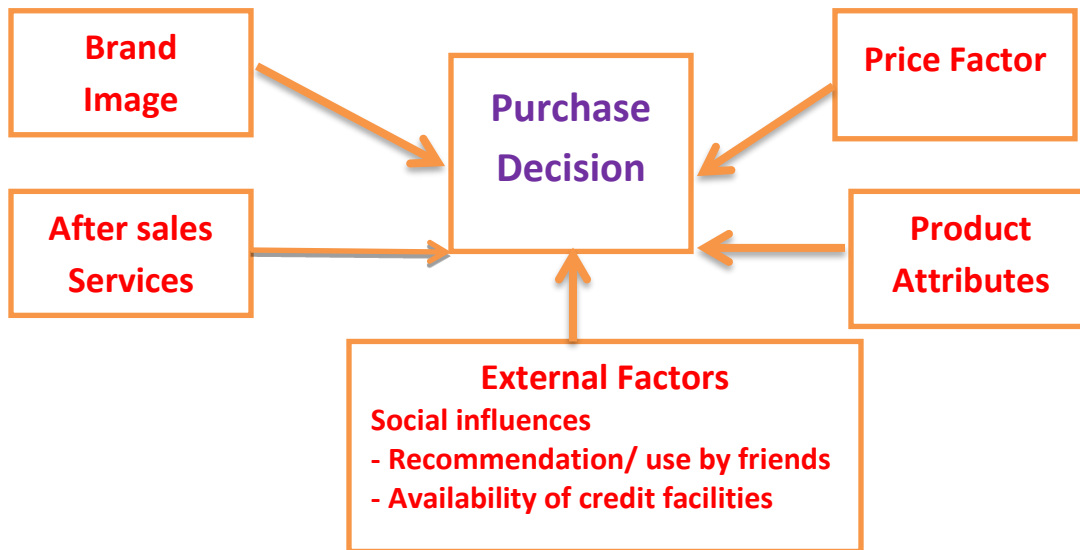
Assessing the purchase intentions of the consumers is important because the automobile industries should be acquainted with the behavior of the consumers towards their products. The purchase intentions of the consumers are related to the consumer’s readiness to acquire and it is a part and a parcel of the behavioral intentions In Ethiopia, as it evident that the purchase of the cars has reached at its highest levels so that explaining that behavior of the Ethiopian consumers towards the locally assembled automobiles especially the impact of price, brand and store information on consumer’s judgment about the product quality and their willingness to buy and after sale service were not assessed properly and efficiently.

The independent variables used in the study were brand association, brand product quality, brand loyalty. Another research inculcated country image, product quality and brand familiarity as independent variables in the study (Yonus 2013). Research done by Yasin 2013 examined the brand trust and experiences and commitment and the mediating role of product judgments has also been tested before along with the consumer ethnocentrism and animosity as independent variables on influence purchase intentions. Similarly Ferrin et al (2013) investigated the effect of

attitude, social pressure, perceived behavior control and perceived self-identity on purchase intention. Divergent results have found that there is a negative impact of price on perceived willingness to buy but there is a positive relation between price and perceived quality and brand and store information social factors have revealed significant results towards purchase Decision making the perceptions of quality and willingness to buy. (Alfas et al 2016)

This study incorporated five independent variables which are the most significant, i.e. price factor, product attributes, after sale service, brand image and external factors such as social influences recommendation/ use by friends and credit facilities in finding their relationships with purchase Decision makings.

Figure 2.2. Conceptual frame work of the research



Compiled by the Researcher (Adapted from Elina J. 2007 and Schiffman, L.G and et al 2000).

CHAPTER THREE

3. Research Design and Methodology

3.1 Description of the Study Area

The study was conducted on Belay AB Motors Company that locally assembled light duty vehicles in Addis Ababa. The company Established in 2006 with a registered capital of 5 million USD the company assembled , import and distribute light, medium, and heavy-duty trucks and industrial equipment partnering with the Hong Kong SAR and China based HuaJia Tianjin international Co.Ltd.

3.2 Research approach

The study used a quantitative research approaches. It is the process of collecting and analyzing numerical data that can be used to find averages, test causal relationships, and generalize results to wider populations.

3.3 Research Design

To meet the objective of the study and answer the research questions, both descriptive and explanatory research designs were employed. An Explanatory and Descriptive research design is deeper in the sense that it describes phenomena and attempts to explain why behavior is the way it is. In other words, it enables the researcher to understand the very nature of what the researcher is actually looking at.

This type of research aims at, for instance, explaining social relations or events, advancing knowledge about the structure, process and nature of social events, linking factors and elements of issues into general statements and building, testing or revising a study variable whereas explanatory design was used to analyze the relationship between Explanatory (Creswell et al, 2012). Descriptive design was applied for demographic and other related variables and Explanatory design was used for the purpose of determining the relationship among the dependent and independent variables.

The target population of the research was All Belay AB Motors locally assembled light- duty vehicle owners and potential customers in Addis Ababa.

3.4. Population and Sample

In this study the target population of the research was All Belay AB Motors locally assembled light- duty vehicle owners and potential customers in the capital city.

The Sample size was calculated at 95% confidence level as follows (Cochran,1997)

$$N = \frac{Z^2 p q}{e^2}$$

Where: N= Sample Size, Z= 1.96, e - the desired level of confidence, P - the estimated proportion +/- 5% and q = 1-p

$$N = \frac{(1.96^2) (0.5)(0.50)}{(0.05)^2}$$

$$N = 384$$

The researcher was used a convenience sampling method which is a non-probability sampling method that gives a better result within a small budget and time constraints (Farhana & Islam, 2012)

3.5 Data source and types

Both primary and secondary data source were used during the study. Primary data sources were information source that were gathered from the study population through questionnaire and secondary data from reports, internets reports and documents.

3.6 Data Collection Procedures

Data were collected using different instruments and methods such as structured and unstructured interview and secondary data such as official records that were obtained from the annual and quarterly reports of the company.

The primary data collection method was structured interview with key informants through close ended questionnaires to customers and vehicle owners. Questionnaires were prepared in English, and necessarily translated into Amharic for the purpose of clarity and to facilitate the data collecting process.

In addition to this method, unstructured interviews and observation were used in order to gather additional information, for crosschecking the opinions given by the respondents. The study was also employed the use of secondary data and review of various documents, journals, bulletins, proclamations, reports and other sources relevant to the research problem, Questionnaires were first administered to few respondents from the study population as pre-test and appropriate adjustments was made.

The closed ended questions was entailed background information covering demographic variables (e.g., age, sex, educational background,), institutional and explanatory variables that affects the buying decisions on locally assembled light duty vehicles in Belay AB Motors such as product attributes , brand image , price factors, after sales services and other external factors and related questions were included. Sources of the secondary data were an official record that was obtained from the annual and quarterly reports of the company.

3.7 Variables of the Research

The dependent variable for this research is purchase decision making and product attribute, brand

image, after sales service, price factor and external factors are the independent variables.

3.8 Model Specification

The independent variables included in the model are extensively used in prior researchers (Kusuma 2015 and Nareth et al 2012, Daniel Yilma 2020). So the reliability and validity of the model is recognized and used in this research is to analyze and interpret the result of the study.

$$\text{PURDM} = a + \beta_1 \text{PRAT} + \beta_2 \text{BRIM} + \beta_3 \text{ASSV} + \beta_4 \text{PRF} + \beta_5 \text{EXTF} + e_i$$

Where:

PRAT - product attribute

BRIM - brand image,

ASSV – after sales service

PRF - price factor

EXTF- external factors

PURDM- purchase decision making

a - is a constant, represents the effectiveness of customer loyalty when every independent variable is zero.

β_{1-5} - is the coefficient, in which every marginal change in variables on PURDM affects correspondingly.

e_i - the error term

3.9 Data Analysis

Data gathered through questionnaire from the respondents, records of the institution concerning its operation and additional responses from experiences of the researcher during the data collection were used for the analysis. Presentations of data were arranged in table and chart form along with percentage in a descriptive way by using simple static tools and SPSS 20.

First, respondents on general profile, next other study variables were discussed. To simplify the data analysis, after the collection of both primary and secondary data information, Data analysis were conducted through a descriptive statistic to provide details regarding the demographic question and the various factors and to evaluate the effects of various factors on buying decision in the study population. And also, the inferential statistics were used to show the relationship between dependent and independent variables. These statistics were presented in correlation and regression analysis. The Cronbach's Alpha (α) analysis was conducted in order to assess the reliability and consistency of the data instrument.

To test the research hypothesis and the relationship among the dependent and independent variables correlation and regression analysis method were used using the ordinary least square (OLS) assumptions of the linear regression.

3.10 Reliability and Validity of the Instrument

Various techniques were employed to ensure data reliability and validity. In order to collect reliable data, the researcher was designed the key informant interview guidance and questionnaires through an elaborated procedure which involves a series of revisions under the guidance of the research supervisor/advisor to enhance data quality. Also quotes from interview and statement from questionnaires will be used as references to ensure reliability.

Furthermore, research assistants/enumerators were trained on administering the questionnaire, interview and discussion guides on recording of any other useful information they came across within in the field. Field notes were made and edited immediately after data collection on a daily basis. Check and comparison will be made key informant interviews and secondary data sources concurrently and pre-testing were also conducted. The data scanning and scrutiny technique were employed from available questionnaires from respondents to examine and validate the survey instrument so as to ensure the content of validity and reliability of the data collected.

Reliability in this research refers to the internal consistency which is the consistency of people's responses across the items on a multiple-item measure. In general, all the items on such measures will be supposed to reflect the same underlying construct, so people's scores on those items should be correlated with each other. Cronbach's α , a value of $\geq .70$ or greater were generally taken to indicate good internal consistency.

Validity is the extent to which the scores from a measure represent the variable they are intended to. Like face validity, content validity is not usually assessed quantitatively. Instead, it was assessed by carefully checking the measurement method against the conceptual definition of the construct.

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach's Alpha (α) is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Cohen et al, 2010) and according to Cronbach's (1951), a reliability value (α) greater than 0.600 is also acceptable.

3.11 Ethical Consideration

The researcher was considered the research values of voluntary participation, confidentiality, anonymity to ensure protection of respondents from any possible harm that could arise from participating in the study. Thus, the researcher was clearly introduced the purpose of the study as a partial fulfillment of a Master study programs in marketing management and requests the respondents to participate in the study on a voluntary basis such that refusal or abstaining from participating was permitted.

The researcher was also assured the respondents confidentiality of the information given and protection from any possible harm that could arise from the study since the findings would be used for the intended purposes only. The respondents were promised to be provided with feedback about the findings of the study.

CHAPTER FOUR

4. Data presentation, Analysis and Discussion

4.1 Introduction

Data presentation, analysis and discussion part of the study were presented in this chapter. The chapter analyzes the determining factors that affect purchase decisions in locally assembled light duty vehicles of Belay AB motors in Addis Ababa. Data gathered through questionnaire from 384 owners and consumers found in Addis Ababa. Structured and unstructured interview with owners and of the respected locally assembled light duty vehicles of Belay AB motors and additional responses from their experiences were mainly used for the analysis. Presentation of data is made in tables by frequency and percentage distribution by using simple static tools and SPSS 20 were computed, discussed and presented.

4.2 Response Rate

Data were collected by the use of structured questionnaires that were collected 280 respondents in Addis Ababa that responded accurately and timely. The response rate is 73 %. According to Baruch & Holtom (2008), the average level of response rate is 52.7 percent is acceptable for survey.

4.3 Profile of respondents

Table 4.1 showed that Respondents' Age and Gender distribution in the study population. Of the total 280 respondents 85% were male and the remaining 15% were female by gender. The majority of the respondents were males indicating that male dominancy were common in the hotel industry sector.

The age category of respondents shows that most respondents are between categories of 25 to 35. it was 32% . Moreover, 29% are under the category of below 36 -45 and 23% were 46 - 55 and 16% were above 55 years of total respondents respectively. This helps to see the view of the respondent's from different age categories as the respondent age category has its own influence on the view they have regarding the practice. The wider and diversified the age group, the wider and diversified are the views of the respondents on the issue under consideration.

Table 4.1 Respondents general Profile by Gender and Age

Description		N	%
Gender	Male	238	85
	Female	42	15
	Total	280	100
Age	25-35	89	32
	36-45	81	29
	46-55	65	23
	>55	45	16
	Total	280	100

Source: SPSS output 2021

As to educational background of respondents majority of the respondents 35% were diploma, 55 % were BA/BSc degree and 10 % were had a Master's degree. The fact that majority of respondents are having BA/BSC degree would help respondents understand and fill the questionnaires correctly so that the findings would be viable.

As can be seen from table below 4.2, 6.7% of the respondents were in the service year category of less than 5 years followed by 5-10 years (26.7%) , 10 to 15 years (46,6%) and above 15 years (20%) respectively. This indicates that the respondents are well experienced. Regarding the current occupation of the respondents the larger share of the respondents goes to private company employed which is (55%), and NGO employed which was 35%. and the rest 20% were government employed.

Table 4.2 Respondents general Profile by Education, income group and years of Experiences

Description		N	%
Education	Diploma	98	35
	BA/BSC	154	55
	MA/ MSC	28	10
	Total	280	100
Years of experience	< 5 years	19	6.7
	5-10 years	75	26.7
	10 – 15 years	130	46.6
	>15 years	56	20.0
	Total	280	100
Current Occupation	NGO employed	98	35
	Private company employed	154	55
	Government employed	28	10
	Total	280	100

Source: SPSS output 2021

4.4 Reliability Analysis

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach's Alpha (α) is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Cohen et al, 2010) and according to Cronbach's (1951), a reliability value (α) greater than 0.600 is also acceptable. The questionnaire item was analyzed by SPSS and the following result is obtained.

Initially, the overall internal consistency of 28 items was tested and the result showed the high Alpha value ($\alpha=0.801$). Thus, it concluded that the questionnaire was reliable and consistent, because the Alpha value greater than 0.70.

Table 4.3 Reliability Statistics

No.	Study Variables	Cronbach's Alpha coefficient	Number of items
1	Product Attributes	0.760	6
2	Brand Image	0.791	6
3	After sales Services	0.853	4
4	Price Factor	0.794	4
5	External Factors	0.836	3
6	Purchase decision	0.774	5
Total		0.801	28

Source: SPSS output 2021

4.5 Category of questionnaire items

The questionnaires that were presented in the Likert scale are categorized in to six groups for the convenience of the data analysis. The categories were performed based on the literatures reviewed as mentioned above in chapter two of this paper.

Table 4.4 Likert item categories

No.	Study Variables	Symbol	Number of likert items
1	Product Attributes	PRAT	6
2	Brand Image	BRIM	6
3	After sales Services	ASSV	4
4	Price Factor	PRF	4
5	External Factors	EXTF	3
6	Purchase decision	PURDM	5
Total			28

Source: SPSS output 2021

4.6 Comparison by categories

All the variables listed on the questionnaires were categorized by the determinants factors on customer buying decision on locally assembled vehicles in Addis Ababa in case in Belay AB Motors which were discussed in the literature review. These are Product Attributes, Brand Image After sales Services, Price Factor, External Factors and Purchase decision on customer buying decision on locally assembled vehicles in Addis Ababa in case in Belay AB Motors .

Accordingly, the mean value and the standard deviation of the study population are shown in table 4.5 below.

Table 4.5: Mean value by categories

No.	N Variable Name	Mean	SD
1	Product Attributes	3.21	0.803
2	Brand Image	3.50	0.754
3	After sales Services	4.00	0.614
4	Price Factor	3.76	0.861
5	External Factors	4.17	0.723
6	Purchase decision	3.28	0.865
Total		3.52	0.798

Source: SPSS output 2021

As shown in table 4.4 above six variables were used to investigate the extent of these items on factors on customer buying decision on locally assembled vehicles. In view of this, average

mean score shown on after sales services has high interest (4.02) , brand image (3.46) mean score) and 3.8 mean score from price factors and a mean score of 4.15 for external factors such as credit facility and family and friends recommendation and credit facilities respectively during the study.

4.7 Product Attributes

As shown in table 4.6, six items were used to measure the purchase decision factors in Belay AB light vehicles. Out of six items developed to see the extent of product attribute for the purchase decision factors, its efficient fuel consumption has a high score of the scored mean value of 3.67 followed by its safety and reliability (3.5) and its engine power (3.42) with the lowest mean score of 3.0 for its attractive interior and exterior design. Generally, the groups mean value of is 3.52 which is interpreted as this variable has above average mean score in contributing the purchasing decision of Belay AB light vehicles in the study population

Table 4.6 Product Attributes

Sr. No	Description	Mean	SD
1	I prefer to buy locally assembled Belay AB light duty vehicles because of its efficient fuel consumption.	3.67	0.843
2	I prefer to buy locally assembled Belay AB light duty vehicles because of its engine power.	3.02	1.021
3	I prefer to buy locally assembled Belay AB light duty vehicles because of its durability	3.42	0.782
4	I prefer to buy locally assembled Belay AB light duty vehicles because of its Safety and Reliability.	3.5	0.751
5	I prefer to buy locally assembled Belay AB light duty vehicles because of its comfort	3.21	1.001
6	I Prefer to buy locally assembled Belay AB light duty vehicles because of its attractive interior and exterior design	3.0	1.023
Total		3.30	0.903

Source: SPSS output 2021

4.8 Brand Image

Table 4.7 below showed the mean and the standard deviation of brand image. As shown in table 4.7 six items were used to measure the Brand Image. Out of six items developed to see the extent of Brand Image in purchasing decision , all of the items scored the mean value equal to or above the grand mean which is 3.5 for responses on assembled Belay AB automobile brand can build recognition which contributes high mean value 3.65, following by its eager to purchase

vehicle from recognized automobile corporation like Belay AB motors which is 3.63, the third rank mean is While buying Belay AB automobile brand popularity is important which is 3.51. Generally, the statement of criteria set for indicates that mean values are highly contribute the purchasing decision of Belay AB locally assembled light vehicles.

Table 4.7 Brand Image

Sr. No	Description	Mean	SD
1	Locally assembled Belay AB Motor's light duty vehicles automobile Comes to my mind at first whenever automobile mentioned	3.42	0.625
2	Belay AB Motor's brand image is exceptional and gives me a good imprint.	3.21	0.819
3	Locally assembled Belay AB light duty vehicles brand can build recognition	3.65	0.625
4	While buying Belay AB light duty vehicles brand reputation is important to me	3.51	0.701
5	I am keen to purchase light duty vehicles from recognized automobile company like Belay AB motors	3.63	0.901
6	I Prefer to buy locally assembled Belay AB light duty vehicles because of its attractive interior and exterior design	3.35	0.734
Total		3.46	0.745

Source: SPSS output 2021

4.9 After sales Services

As shown in table 4.8 below the average high mean score was between 4.02 and 4.98 High mean score were registered on the criteria prefer to buy Belay AB automobile, because of its warranty, shows that the purchasing decision are giving great attention for the purchasing decision of Belay AB locally assembled light vehicles . The next high mean vale registered on the easily availability of workshops (service center) (3.94) this shows that almost all respondents rely on warranty and availability of workshops. for the purchasing decision of Belay AB locally assembled light vehicles in the study population.

Table 4.8 after sales Services

Sr. No	Description	Mean	SD
1	I prefer to buy Belay AB light duty vehicles, because of its best maintenance service	3.51	0.801
2	I prefer to buy Belay AB light duty vehicles, because of easily availability of workshops (service center).	3.94	0.876
3	I prefer to buy Belay AB light duty vehicles, because of its warranty.	4.98	0.071
4	I prefer to buy Belay AB light duty vehicles, because of its easy spare part availability	3.68	0.674
Total		4.02	0.605

Source: SPSS output 2021

4.10 Price Factors

As it has been shown in table that the average score for the price factors in purchasing decision of Belay AB locally assembled light vehicles in in the study area was 3.80 with a standard deviation of 0.875 in the study population and price is relatively good the mean value was 3.92 with a standard deviation of 0.813, in resale value is attractive the mean value is 3.87 with a standard deviation .898 for its maintenance cost is relatively low the mean value is 3.74 with a standard deviation of .845, and its spare part price is relatively low 3.68 with a standard deviation 0.946 of the study population.

Table 4.9 Price Factor

Sr. No	Description	Mean	SD
1	I prefer to buy locally assembled Belay AB light duty vehicles, since its price is relatively good	3.92	.813
2	I prefer to buy locally assembled Belay AB light duty vehicles, since its resale value is attractive.	3.87	.898
3	I prefer to buy locally assembled Belay AB light duty vehicles, since its spare part price is relatively low	3.69	.946
4	I prefer to buy locally assembled Belay AB light duty vehicles, since it's maintenance cost is relatively low	3.74	.845
Total		3.80	.875

Source: SPSS output 2021

4.11 External factors

The mean (M) and the standard deviation (SD) of the result of the descriptive statistics of items of External factors is shown in relatively higher mean score value. All in all the mean value indicate the variable External factors have highly affecting the dependent variable the table 4.10 below. As shown in table below three essential external factors attributes were used to investigate the extent of these items on purchasing decision . In view of this, all items scored a mean value of greater than, higher mean score shown (4.51) on an item namely, if my family and friends buy/use it(4.51). The item credit facility to buy the car (4.21) has also shown a mean score of score of 4.21 and recommendation by family and friends which was 3.73.

Table 4.10 External factors

Sr. No	Description	Mean	SD
1	I would buy locally assembled Belay AB light duty vehicles, if it is recommended by family and friends	3.73	0.795
2	I would buy locally assembled Belay AB light duty vehicles, if my family and friends buy/use it.	4.51	0.621
3	I would buy locally assembled Belay AB light duty vehicles, if there is credit facility to buy the car	4.21	0.811
Total		4.15	0.742

Source: SPSS output 2021

4.12 Purchasing Decision

The mean (M) and the standard deviation (SD) of purchasing decision is shown in the table 4.11 below. As shown in table 4.11 below the purchasing decision in locally assembled Belay AB automobile is determined by its attribute quality and its after sales service image showed higher mean score of equally 3.85 respectively. However, the mean score of the item label determined by external factors and brand image showed moderate mean value which is 3.03 and 3.01 respectively. This indicates that the purchasing decision is highly determined by attribute quality after sales services.

Table 4.11 Purchasing Decision

Sr. No	Description	Mean	SD
1	My decision to buy locally assembled Belay AB light duty vehicles is determined by its attribute quality.	3.85	0.625
2	My decision to buy locally assembled Belay AB light duty vehicles is determined by its determined by external factors	3..01	0.819
3	My decision to buy locally assembled Belay AB light duty vehicles is determined by its after sales service image.	3.85	0.625
4	My decision to buy locally assembled Belay AB light duty vehicles is determined by its price factors.	3.54	0.701
5	My decision to buy locally assembled Belay AB light duty vehicles is determined by external factors	3.03	0.901
Total		3.80	0.734

Source: SPSS output 2021

4. 13 Assumptions of Regression analysis

The study used a multiple linear regression model and examined the effects and magnitudes of the independent variables on purchasing decision. Before analyzing the data gathered by the questionnaires, the researcher has checked the necessary assumptions. These assumptions must be fulfilled in order to undertake analysis by multiple regression models.

Five tests for classical linear regression model (CLRM) assumptions namely normality, linearity, homoscedasticity; multicollinearity and independence of residual are conducted and discussed as follows.

4.13.1 Normality Test

Test of normality, is determining whether the data is well modeled by normal distribution or not. This test of normal distribution could be checked by graphical (histogram and dot plot) method of tests. The normality assumption assumes a critical role when a study is dealing with a small sample size, data less than 100 observation. (Gujarati, D. 2004)

Table 4.12 Tests of Normality

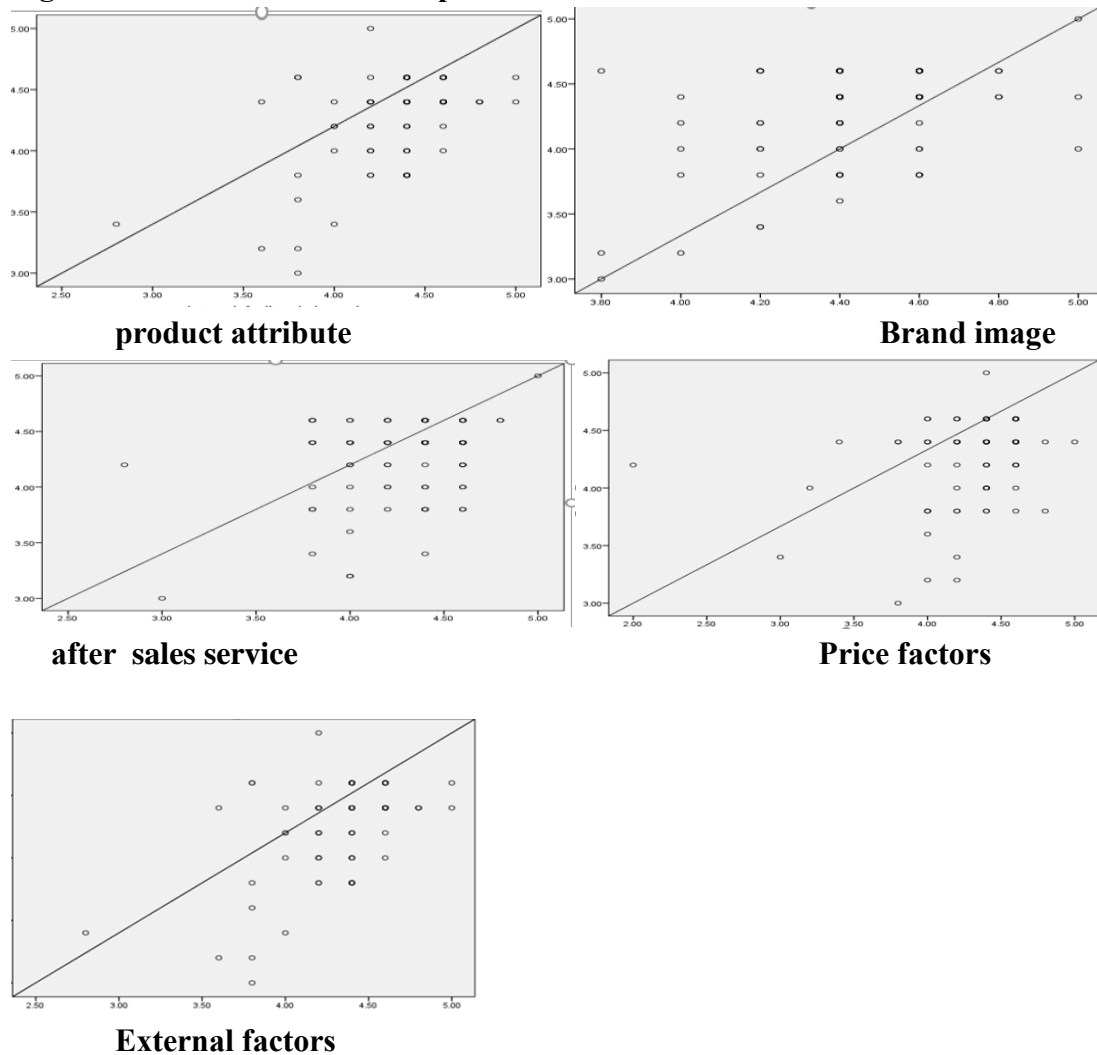
Variables	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Purchasing Decision	.287	125	.000	.807	125	.000

Table 4.12 above shows the results of the Normality test carried out. The Kolmogorov-Smirnov results were used for interpretation as a sample data of more than a 100 were used. A p-value of lower than 0.05 was not achieved which means that the questionnaires were distributed normally.

4.13.2 Linearity Test

Linearity studies are performed to determine the linear reportable range for an analyte. This is done using a set of standards containing varying levels of an analyte in high enough and low enough concentrations so as to span the entire range of the test system. Multiple linear regression model assumes the presence of a linear relationship amongst the independent variables and the dependent variables. The linearity assumption tested with scatterplots.

Figure 2.3 scattered Plot – Independent variable



The table above shows the direct relationship between all independent variables and purchasing

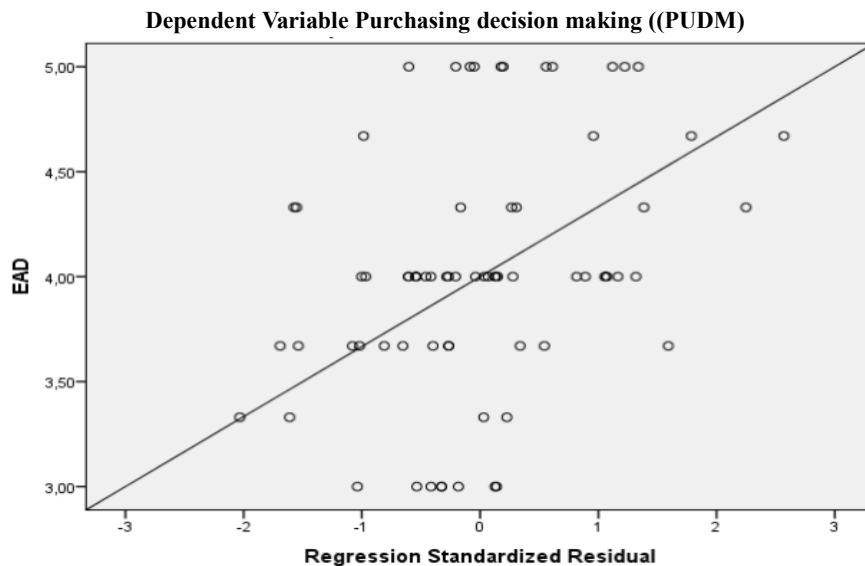
decision . The randomised pattern means that the linear results are normal.

4.13.3 Homoscedasticity Testing

The third requirement done to multiple regressions is the absence of heteroscedasticity. that tested to the variability in scores at all values for explanatory variables. Should be similar which indicate that the residuals are normally distributed and have constant variance. graphical method was used to depict homoscdacity. The scatter plot below should show a fairly even rectangular shape along its length. This indicates that the assumption of no hetroscedasticity is nearly met.

The Graph above shows that the assumption of homoscedasticity is met as the variances are constant and the results are scattered.

Figure 2.4 Scatter plot dependent variables



4.13.4 Autocorrelation Test

Autocorrelation Test is a systematic correlation that exists between one observation of the error term and another error term. if there is an autocorrelation It would be tough to get accurate estimates of the standard errors of the coefficients,. Durbin Watson test was used to Autocorrelation Test. Value between 1.5 and 2.5 is considered to be acceptable of the Durbin Watson. The Durbin Watson test value in this study as shown in table 4.13 was 2.015 showed the absence of correlation between error terms.

Table 4.13 The Durbin-Watson statistic

Variables	Durbin-Watson
-----------	---------------

Purchasing Decision	
	2.015

Source SPSS output 2021

4.13.5 Test for Multicollinearity

Another assumption that has to be met to undertake multiple linear regression model is the assumption of multicollinearity that serve as indication for a linear relationship between the independent variables. Variable Inflation Factor (VIF) technique that measure as the reciprocal of the complement of the inter-correlation among the predictors: $VIF=1/(1-r^2)$ was used. (Gujarati, D. 2004). VIF value of greater than 10 and, Tolerance which is, a variable whose TOL value is less than 0.1 shows the possible existence of multicollinearity problem. (Gujarati, D. 2004)

As shown in table 4.14 below VIF values for all variables were less than the tolerable value, i.e. 10 and the tolerance value of all variables also became above 0.1 so that, the model is free from multicollinearity problem .

Table 4.14 Tolerance and VIF

Variables	Collinearity Statistics	
	Tolerance	VIF
Product Attributes	.295	3.386
Brand Image	.342	2.920
After sales Services	.451	2.216
Price Factor	.425	2.351
External Factors	.610	1.640
Purchase decision	.412	2.426

Source: SPSS Output, 2021

4.14 Correlation analysis

Table 4,15 below shows the Pearson's correlation coefficient between the five factors that affect purchasing decision. The correlation efficient (r) 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong is considered. The results indicated that all the purchasing decision indicators have positive high correlation effect on purchasing decisions through there degree of effect varies. Therefore, the Pearson Correlation Coefficient of independent and dependent variables in table 4.15 indicates the existence of a positive relationship and this is in accordance with the hypothesis of the study. When we see the degree of their association, as per the guideline of Cohens (1988) all independent variables were highly correlated or ($r \geq 0.5$).

Table 4.15 Correlation coefficient

VARIABLES	PURDM	PRAT	BRIM	ASSV	PRF	EXTF
PURDM	1					
PRAT	.736	1				
BRIM	.497**	.701***	1			
ASSV	.605***	.677***	.701***	1		
PRF	.801***	.641***	.505***	.610***	1	
EXTF	.722***	.726 ***	.665 **	.561***	.571***	1

Source: SPSS Output, 2021

4.15 Regression Analysis

As discussed above, five major assumptions that must be fulfilled to analyze data using multiple linear regression models were discussed. Because all the five assumptions considered were normal, and all the data sets used in this research are suitable for multiple regressions, the next step was to conduct the multiple regression analysis.

Multiple regression analysis is a statistical tool used to test the relationship between independent variables with a dependent variable (Hair, 2010). The independent variables are grouped into five main factors, namely product attributes, brand image, aftersales services, price factors and external factors such as recommendation by friends and families and credit facilities. The dependent variable in this research is purchase decision making. This measurement was also used by Elina J. 2007 chiffman, L.G and et al 2000, Fischer, G. W et al 2000)

4.15.1 Model Summary

As shown in the Model Summary table 4.16 R value is the absolute value of the Pearson correlation between the dependent variable and independent variable. In this study the R² value is .652The R square value provides information about “how the dependent variable is explained by the model” (Pallant, 2013). The multiple correlation coefficient or coefficient of determination ranges of the R square value ranges from 0 to 1.

The closer the value of R square to 1 implies the greater portion of dependent variable variances are explained by the model. In the table below shows that the R square value of this research is 0.652. It means in this research, 65.2 % of variances on purchasing are explained by the independent variable collectively. However, the R square value has limitation especially if the small sample involved, “the R square value in sample tends to be a rather optimistic overestimation of the true value in the population” (Pallant, 2013).

This is because every independent variable added to the model will increase the R value certainly even though the variables added may not have a practical impact. Hence, several authors (Pallant, 2013) suggested the use of Adjusted R square rather than simply R square (especially with a small sample) in assessing the ability of model to explain the variance of dependent variables. It is believed that the Adjusted R square provides a better estimation (Pallant, 2013). In regard to this, the table below shows that the Adjusted R square of this research is 0.652. It means the model of this research explains 0.509 % of the variance of e-commerce adoption.

The analysis shows, $R^2 = 0.652$ (65.2%), which is a moderate coefficient and clearly implies that 65.2 % variation in e commerce adoption are explained by changes or the nature of independent variable implemented in the study population . The remaining 34.8% of the variation in purchasing decision is explained by stochastic error term (e) meaning that 65.2% of changes in purchasing decision making changes are explained by factors that are not explained in the model.

Table 4.16 Model Summary

Model	R	R square	Adjusted R square	Standard of the estimates
1	.780 ^a	.652	.590	.46243

a. **Dependent Variable:** purchasing decision b. Predictors: (Constant), product attributes , brand image , aftersales services , price factors and external factors

4.15.2 ANOVA F test

Table 4.17 the ANOVA table shows that the overall multiple linear regression model is significant $p=0.00$, this implies that the model describes the effect of those variables on the commerce adoption in the study population. The table also presents the F test result. The F test is aimed to ensure whether independent variables involved in the model collectively have significance correlation to the dependent variable or not. The F test also reflects the statistical significance of the whole model (Bryman, 2005).

Thus, the F test is used to determine a model fit of the multiple regression model, which is related to its ability to predict the outcome variable. To determine whether the model is a good fit, the value of F changes and the significance value of F changes can be used. By comparing the value of F changes provided by the regression procedure with the value of F table, the model fit can be identified. If the value of F change is higher than the F table, it means that the model is a fit, in which the independent variables have a significance correlation to the dependent variables, and vice versa. Then, if the significance value of F changes is below 0.05, it also means that the independent variables are significantly correlated with the dependent variable.

In this case, based on the table below it can be seen that the value of F changes produced by multiple regression procedure is greater than the value of F and this is also supported by the significance value that less than 0.05, which is 0.000. Hence, it can be concluded that this model is a fit where the independent variables included in this model collectively have a significance correlation to the dependent variable.

Table 4.17 ANOVA F test

Model	Sum of square	Df	Mean square	F	Sig.
Regression	51.078	5	10.216	58.403	.000b
Residual	43.029	246	.175		
Total	94.107	251			

a. dependent Variable: b. Predictors: (Constant), product attributes , brand image , aftersales services , price factors and external factors

Source: SPSS Output, 2020

4.15.3 Regression coefficients

Evaluating Effect (Significance) of Each of Independent Variables to purchasing decision is presented below in table 4.18

Table 4.18 Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)					
Constant	.324	.126		2.790	.006
Product Attributes	.327	.036	.381	9.156	.000
Brand Image	.018	.038	.016	0.460	.0001
After sales Services	.210	.035	.256	5.971	.000
Price Factor	-.102	.042	-.106	-2.445	.015
External Factors	.144	.044	.170	3.304	.001

Source: compiled by the Researcher 2020

Table 4.18 shows that there are two types of coefficients, which are unstandardized coefficients and standardized coefficients. To compare the contribution of each independent variable in the predicting of the dependent variable, the standardized coefficients are used. However, to generate the multiple regression equation, the unstandardized coefficients are used (Pallant, 2013).

Based on the table 4.18 it can be seen that Product Attributes has the largest standardized coefficients value, which is .381, which means that it makes the strongest contribution to explaining the purchasing decisions, The second largest is the after sales Services with the

coefficient value of .256, then followed by the external factors and brand image , which is .170 and .016 brand image. price factors a negative coefficient of -.106 in the purchase decision of Belay AB motors locally assembled vehicles in Addis Ababa .

The result above is transformed into the equation below:

$$\text{PURDM} = a + \beta_1 \text{PRAT} + \beta_2 \text{BRIM} + \beta_3 \text{ASSV} + \beta_4 \text{PRF} + \beta_5 \text{EXTF} + e_i$$
$$\text{PURDM} = .324 + .381 \text{PRAT} + .016 \text{BRIM} + .256 \text{ASSV} - .106 \text{PRF} + .170 \text{EXTF} + .126$$

The value of regression β coefficients reflects the value of the decreasing or increasing of variables. In order to find the contributions of each independent variable to dependent variable included in the model, it has to be noticed that the value of unstandardized coefficient beta (β). The greater value of beta and less value of significant level ($p < 0.05$) of each independent variable shows the strongest importance to the dependent variable (Pallant, 2005).

In order to find the contributions of each independent variable to dependent variable included in the model, it has to be noticed that the value of unstandardized coefficient beta (β). The greater value of beta and less value of significant level ($p < 0.05$) of each independent variable shows the strongest importance to the dependent variable (Pallant, 2005). The β coefficient value indicates that a one-degree change in in independent variables degree of importance with regard to the e commerce adoption respectively.

Accordingly, the following paragraphs tests the proposed hypothesis by comparing with the regression coefficient beta results.

H₁ Product attributes positively affect buyer’s purchase decision of Belay AB Motors locally assembled light-duty vehicles.

Table 4.18 above shows that the product attributes has a positive .381 for its coefficient regression, which means every unit increase in product attributes , it is expected that .381 unit increase in purchasing decision making , holding all other variables constant.

H₂: Brand image positively affects buyer’s purchase decision of Belay AB Motors locally assembled light-duty vehicles.

The coefficient of regression for brand image is also positive, which a value of .016. It implies that every unit increase in perceived compatibility, a .016 unit increase is expected in purchasing decision, holding all other variables constant.

H₃: After sales service positively affects buyer’s purchase decision of Belay AB Motors locally assembled light-duty vehicles.

The coefficient of regression for after sales services is also positive, which a value of .256. It implies that every unit increase in perceived compatibility, a .256 unit increase is expected in purchasing decision, holding all other variables constant.

H4: Price factors positively affect buyer’s purchase decision of Belay AB Motors locally assembled light-duty vehicles.

The coefficient of regression for Price factors is negative, which a value of .106. It implies that every unit increase in price factors, a .106 unit decrease is expected in purchasing decision, holding all other variables constant

H5: External factors such as social influences and credit facilities positively affect buyer’s purchase decisions of Belay AB Motors locally assembled light-duty vehicles

The coefficient of regression for after sales services is also positive, which a value of .170. It implies that every unit increase in perceived compatibility, a .256 unit increase is expected in purchasing decision, holding all other variables constant

Therefore, in this case **H1, H2 H3 H5** are accepted and **H4** is not supported.

Table 4.19 Summary of Hypothesis Test Result

Hypothesis	Results	Implications
H ₁ ; Product attributes affects purchasing decision positively and significantly of Belay AB Motors locally assembled light-duty vehicles	Supported	This implies that Product attributes had positive effect on purchase decision , other things held constant
H ₂ brand image affects purchasing decision positively and significantly of Belay AB Motors locally assembled light-duty vehicles	Supported	This implies that brand image had a positive and significant effects on purchase decision other things held constant
H ₃ After sales services affects purchasing decision positively and significantly of Belay AB Motors locally assembled light-duty vehicles	Supported	This implies that After sales services had positive and significant effect on purchase decision other things held constant
H ₄ price factors affects purchasing decision positively and significantly of Belay AB Motors locally assembled light-duty vehicles	Not supported	This implies that price factors had negative and significant effects on purchase decision, other things held constant
H ₅ External factors affects purchasing decision positively and significantly of Belay AB Motors locally assembled light-duty vehicles	Supported	This implies that external factors has positive and significant effects on her things held constant

CHAPTER FIVE

5. Findings, Conclusions and Recommendations

5.1 Major Findings

The aim of the study was analyzes the determining factors that affect purchase decisions in locally assembled light duty vehicles of Belay AB motors in Addis Ababa. The study identified factors which influence consumer's vehicle buying behavior specifically the influence of, Brand Image, After sales Services, Product attributes Price Factor and External Factors on customer buying decision on locally assembled light duty vehicles in Addis Ababa in case in Belay AB Motors .

The model, presented by, was chosen from different scholars as a framework for evaluating factors influencing factors that affect purchase decisions in locally assembled light duty vehicles of in Ethiopia. This model was among the most recent researches done on purchasing decisions in other countries. The model provided the necessary framework to design questionnaires which responses to them and analyzing them identifies the factors affecting the factors that affect purchase decisions in locally assembled light vehicles of Belay AB motors

Data were collected by the use of structured questionnaires that were distributed to 384 selected consumers in Addis Ababa. Only 280responded accurately and timely. The response rate is 73 %.

The age category of respondents shows that most respondents are between categories of 25 to 35. As the respondent age category has its own influence on the view they have regarding the practice, as the wider and diversified the age group, the wider and diversified are the views of the respondents on the issue under consideration.

As to educational background of respondents majority of the respondents were BA/BSC degree, were followed by Diploma degree. Regarding the current occupation of the respondents the larger share of the respondents goes to private limited employed. The fact that majority of respondents are having BA/ BSC degree would help respondents understand and fill the questionnaires correctly so that the findings would be viable. As to the service year category majority of the respondents were above 10 years indicating that the respondents are well experienced.

The overall internal consistency of 28 items questionnaires were tested and the result showed the high Alpha value ($\alpha=0.801$). Thus, it concluded that the questionnaire was reliable and consistent, because the Alpha value greater than 0.70.

All the variables listed on the questionnaires were categorized by the factors that affect purchase decisions in locally assembled light duty vehicles of Belay AB motors. Generally, the groups mean value of product attributes is 3.30, brand image 3.46, after sales services 4.02, price factors 3.80, and external factors of 4.15. which is interpreted as this variable has above average mean score in contributing the purchasing decision making in the study population.

As result shown in regression analysis in the study the results of the multiple regression analysis showed that product attributes, brand image, after sales services and external factors have a positive and significant relationship with the purchasing decision, whereas price factors has negative significant effect on purchase decision of locally assembled light vehicles of Belay AB motors in the study population

Finding of this study coincides and supported with previous studies on product attributes Daniel Y (2020), Mahzabin (2016), Belay A. (2017) Malik et al. (2013) and Mourali and Pons, 2005)) that product attributes, brand image , after sales services and external factors (recommendation by friends/ family / credit facilities) have a positive and significant relationship with the purchasing decision , whereas studies from Rigopoulos et al (2008), Kelman, (2011) Lee and Body, (2010) and Mirabi (2015) had supported that price factors has a negative significant effect on purchase decision of locally assembled light vehicles of Belay AB motors in the study population .

5.2 Conclusions

The purchasing intention plays a major role in marketing to predict customers' buying behavior. Car buying intention frameworks are no exception. Cars are valuable goods, which means people buy a car with the intention of using them as long as possible. It is seldom for people to have this kind of decision making because they do not purchase an automobile each year, hence deciding to buy a car is much more involved and needs more rigorous consideration.

Understanding factors influencing customer behavioral intention in the decision process of purchasers has long been of enormous attraction to researchers and manufacturers. That was the purpose of this study. Purchasing a new car is a decision-making problem that illustrates customers' preferences and attitudes towards a product.

From this research findings one can conclude that factors such as product attributes, brand image, after sales services and external factors (recommendation by friends/ family / credit facilities) have a positive and significant relationship with the purchasing decision, whereas price factors has negative significant effect on purchase decision of locally assembled light duty vehicles of Belay AB motors in the study population.

5.3 Recommendations

Based on the findings the study the researcher would recommend that:

- The company should consider its design strategies by giving due importance to the efficient fuel consumption. Safety and Reliability. attractive interior and exterior design comfort, engine power, safety, engine power
- Since the brand name has positive effect on purchase decision for the locally assembled light duty vehicles, I recommended supplying more popular brands.
- Product features have significant effect on purchase decision so that the company should provide light duty vehicles with good features such as well designed, that have co friendly with the environment
- The company should strength the after sales services as this has significant effect on purchase decision
- Since the social influence has significant and positive effect on purchase decision the company should aware that the consumers about the feature of the products not to have wrong information in product attributes ,brand image and other related factors to their products
- As price is the sensitive and competitive issues in car market in Ethiopia care should be taken in developing competitive price and marketing strategies by the company.

5.3 Suggestion for further study

Like other studies, this study is not without its limitations such sample size and geographical locations and all domains of purchasing factors and outcome were not investigated. Factors purchasing decision other than and not located in this study might be related and have positively influence, therefore, Further researches are needed in the area of all purchasing decision taking in to consideration all the determinant factors and models in the locally manufactured vehicles in general and locally assembled light duty vehicles in particular.

ANNEXES

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QUESTIONER

Data Collection Instrument

Addis Ababa University School of Commerce
Department of Marketing Management
Post Graduate Program

Data Collection Form

Collected By

This questionnaire is prepared for the study entitled as ‘Determinants on customers buying decision on locally assembled duty vehicles in Addis Ababa: Case in of Belay AB Motors. The results will be used to inform Business owners, policy makers and development planners in the country with practical facts about the Determinants factors that customers buying decision on locally assembled vehicles in Ethiopia. All the information you provide is totally sought for academic purposes and shall be kept strictly confidential. Your answers will be combined anonymously with other participants. Please kindly give your genuine response and share your experiences regarding the information requested on the following information.

Please read each statement carefully and put the tick (✓) mark under the choice and no need of writing your name.

Part I: General c information

I. Gender

Male Female

II. Age Group

20-30 31-40 41-50 51-60 Above 60 years old

III. Marital Status

Married Unmarried Divorced widowed

IV. Your Current Educational Level

No formal education Degree High school post graduate
 Diploma other

VI. Your current Occupation?

Unemployed NGO-employed Self-employed
 Private company employed Government employed

Part II: Main Research Question

Please indicate on a five point scale the extent to which level you agree/disagree with the following statements by ticking the appropriate answers on the box in the columns.

Please rate each of the statements by using a rating scale of 1 -5. 1= strongly disagree 2 =Disagree 3= neutral 4= Agree 5=strongly agree

1. Product Attributes

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
I prefer to buy locally assembled Beay AB automobile for						
1	Efficient fuel consumption.					
2	Engine power.					
3	Durability					
4	Safety and Reliability.					
5	Its comfort					
6	its attractive interior and exterior design					

2. Brand Image

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
1	Locally assembled Belay AB Motor's automobile is my priorities whenever automobile cited					
2	Belay AB Motor's automobile brand image is re known and provides me a good imprint.					
3	Locally assembled Belay AB automobile brand can build recognition					
4	In buying Belay AB automobile brand reputation is a key					
5	I am keen to purchase automobile from automobile company like Belay AB motors					
6	I Prefer to buy locally assembled Belay AB automobile because of its design (interior and exterior design)					

3. After sales service

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
I prefer to buy Belay AB automobile, because of						
1	Best maintenance service					
2	Easily obtainability of service center.					
3	Guaranty (Warranty).					

4	Spare part availability					
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4. Price Factor

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
I prefer to buy Belay AB automobile, because of						
1	Price is relatively					
2	Resale value is attractive.					
3	Spare part price is relatively low					
4	Maintenance cost is relatively low					

5, External Factor

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
I would buy locally assembled Belay AB automobile if						
1	recommended by family and friends					
2	my family and friends buy/use it.					
3	credit facility is there to buy the car					

6. Purchasing Decision

Sr. No	Description	Level of Agreement				
		1	2	3	4	5
Decision to buy locally assembled Belay AB automobile is						
1	Its attribute quality.					
2	Its brand image.					
3	It's after sales service image.					
4	Its price factors.					
5	By external factors					

Thank you once again for completing the questionnaires