



**Factors Affecting Consumers' Purchase Decision of locally
Assembled Automobiles in Addis Ababa: The Case of Lifan Motors
Automobile**

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**A Thesis Submitted to the Graduate Studies of Addis Ababa University School of
Commerce in Partial Fulfillment of the Requirements for the Award of Master of Arts
Degree in Marketing Management**

June, 2018

Addis Ababa

Addis Ababa University
School of Commerce School of Commerce
Department of Marketing Management

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Statement of Certification

This is to certify that Daniel Yilma has carried out his research work on the topic entitled “Factors Affecting Consumers’ Purchase Decisions of locally Assembled Lifan automobiles in Addis Ababa: The case of Lifan Motors’ Automobiles “ is his original work and is suitable for submission for the award of master’s Degree in marketing management.

Advisor: Dr. Tewodros Mesfin

June, 2018

Declaration

I, Daniel Yilma, declare that this work entitled “Factors Affecting Consumers’ Purchase Decisions of locally Assembled Automobiles in Addis Ababa: The case of Lifan Motors Automobiles” is the outcome of my own effort and has not been presented for award of any degree in any other university and that all sources of materials used for the study have been dully acknowledged.

I have produced it independently except for the guidance and suggestion of the research advisor Dr.Tewodros Mesfin. It is offered for the partial fulfillment of the degree of Masters of Arts in Marketing Management.

Signature_____

Name: Daniel Yilma

Date: June, 2018

III

Acknowledgement

First and foremost, I would like to express my deepest gratitude to the Almighty God for his blessings and help on every step of my achievements. Next, I would like to express my sincere gratitude to my advisor, Dr, Tewodros Mesfin, for all of his professional guidance, comments, ideas, and cooperativeness from the starting to the accomplishment of this study.

I also wish to my heartfelt gratitude to all my families, especially my wife W/o Lezina Tamire , she has been incredibly supportive and patience over the last few years.

My special thanks also goes to Lifan Motors company management and marketing team, staffs and customers for their cooperation and comments during questionnaire distribution and collection.

Last but not least, I would like to offer special thanks to all my friends who has supported me in one way or another towards the completion of this research.

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Abstract

It is very crucial for every automobile company and all stake holder of the industry to have deeper understanding regarding the factors that influence the purchasing behavior of consumers towards the product they offer. The purpose of this paper is to examine the influence of the factors on customers purchase decision making towards locally assembled Lifan automobiles in Addis Ababa. The study used quantitative research approach and structured questionnaire was employed. The hypotheses were also tested on a sample of 353 customers distributed, giving valid response rate of 94.2% percent. The response of questionnaires was analyzed using CronbachAlpha, descriptive statistics, correlation & multiple regressions. The application used to analyze and examine the hypotheses was the Statistical Package for Social Sciences (SPSS) V.20. The finding showed all independent variables(product attribute, brand image ,after sales service, price factor and external factor have a significant correlation with the dependent variable “consumer purchase decision making” with 95% confidence interval & at 0.05 p-value, by scoring a Pearson Correlation Coefficient “R-value” value of .497**, .562**, .419**, .507**, .561** respectively. In this case relatively brand image had a higher strong relationship with consumer purchase decision than the other four independent variables & the linear combination of (independent variables).The R^2 explains 54.1% of the variance in customers’ purchases decision. In addition to correlation analysis, further regression analysis was also conducted and the result indicates that all independent variables have significant relation with consumer purchase decision. Finally, as evident from the finding section recommendations were forwarded to lifan Motors Company to focus on building brand image, improving product attribute, excelling the after sales service, and implementing competitive price to capitalize the market opportunity.

Key words: Consumer Behavior, Purchase intention, Purchase decision, Brand image,

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1. Introduction

This chapter will contain introductory part of the entire study. It provides some insights about the ground and assumptions where the study is conducted. It states background of the study, statement of the problem, objectives, research hypothesis, significance, scope, definition of key terms, and organizations of the study. Accordingly, it begins with background of the study.

1.1 Background of the Study

The country has a large domestic market of close to 100 million people, making it the second most populous country in Africa after Nigeria. The country's automotive market seems dominated by second-hand imported vehicles.

These vehicles are imported primarily from the Gulf States, through the Port of Djibouti. Besides Second-hand vehicles in Ethiopia tend to appreciate in value due to high import duties and limited supply of vehicles.” The Ethiopian Investment Commission reports that 31 foreign vehicle investment projects (largely Chinese projects but also some involvement of European companies) and 73 domestic vehicle assembly investment projects have been licensed since 1998. This means that a total of 104 companies have been licensed for vehicle assembly in the country over the past two decades. However, only a few of these are operational, with the vast majority licensed at the pre-implementation stage. According to the Ethiopian Transport Authority, the country has just 831,265 registered vehicles by the end of 2016/17 fiscal year. Most of these are imported, having more likelihood of causing pollution, and cost a lot of money to import spare parts.

For most people ,purchasing a car is the second most important and expensive investment next to purchase of a house, for the automotive manufacturers, first time car buyers give them the opportunity to create positive brand image which definitely could be reflected on the next car purchase.

The study of consumer behavior focuses on how individuals make decisions to spend their available Resources (time, money, effort) on consumption-related items (Schiffman and Kanuk,

2009). Solomon (1996) noted that consumer behavior is a study of the processes involved when individuals or groups, purchase, consumption, or dispose of products, services, or experiences to fulfill needs and desires.

An individual and a consumer is led by his culture, subculture, social class, membership groups, family, personality, psychological factors, etc. and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers.

Understanding the automotive purchase process is crucial for automotive manufacturer & dealers. Huge amount of information available to consumers require manufacturers and dealers to understand consumer decision making & the modes of influence which can affect consumers' purchasing decision. According to Kotler (2002), models of buying behavior, there are marketing stimuli and other stimuli. The Marketing stimulus comprises the four P's: product, price, place & promotion. Beside, other stimuli in the customer environment such as economic, technological, political, and cultural are included. All these stimuli enter the buyer's black box where they, through the buyer decision process, are turned into a set of buyer's response.

Given the countries growing economy and associated ever growing demand for private vehicle, there is big opportunity for local automotive assembly industry. Furthermore, the industry could provide job opportunity, technology transfer, foreign direct investment, and saving of country's hard currency. Thus to capitalize those opportunity and enjoy significant market share it demands the local automotive assembly manufacturers and marketers to have an in-depth insight on influences associated on the consumers' purchasing behavior in local market context and developed appropriate marketing strategy to reflect market need enjoy the local market share.

Thus, this study tried to investigate effect of different factors on the purchase decision of locally assembled Lifan automobiles. It analyses the relationship between independent variables, (product attribute, brand image, after sales service, price factor, external factor) and purchase decision (as the dependent variable) in local market context.

1.2 Background of the company

Lifan Motors Plc is a subsidiary branch of Lifan Motors (China) engaged in assembling and distributing Lifan Vehicles in Ethiopia. Its show rooms are located at left side from Kazanchis to St. Urael Church NGF Building. Currently it has above 100 employees in which 97% of them are local people. Its factory is located at Kality Sub city on 15000 m². Lifan's modern service station is located at Kera in front of the Court office, which is well equipped with modern equipment and skilled man power.

The sales network of Lifan products has spread across 167 countries in South-East Asia, West Asia, Europe, Africa and South America. Lifan automobiles have been exported to 54 countries including Russia, Ukraine, Vietnam, Iran, Algeria, Nigeria, Germany, France, Spain, Brazil, and Colombia. With five assembly factories built in Russia, Azerbaijan, Vietnam, Iran and Ethiopia.

Currently, Lifan offered various automobile models in the local market such as Lifan 320 Models, Lifan 520 Models, Lifan 520i Models, Lifan 530 and others. The company has also sold out about 5250 automobiles in local market since entered into the local automobile market (www.lifanmotors.com).

1.3 Statement of the problem

Consumer buying behavior is the most important factor for developing and executing successful marketing strategy. Understanding of the consumers enables a marketer to take marketing decisions which are compatible with its consumer needs (Kotler, 2002).

The automotive industry is well studied and explored area in most developed countries. Various researches have been undertaken on this fundamental economic sector Liu and Bai (2008), Tan and Santhi (2014) and Kusuma (2015). In these researches the issue of Car purchasing behavior, perceived quality, and impact of advertisement, Green cars, after sales service, and other matters related to automotive market has been addressed. However, all these studies are undertaken in different socio-cultural and economic environment of the countries.

While reviewing Ethiopia's automotive market, it seems dominated by second-hand imported vehicles. Most of vehicles are second-hand imports local assembler in the industry seems not competing effectively with those second –hand imported automobiles. These seem to affect the technology transfer, foreign direct investment, job opportunity, saving of hard currency and etc.

To capitalize opportunity and enjoy significant market share it demands the local automotive assembly manufacturers and other stakeholders should have in-depth insight on determinants of the consumers' purchasing decision in local market context and develop marketing strategy which respond the market need. However, based on reviewing literatures and observing the gap, the researcher aimed at investigating the influence of major factors on the buyers' purchase decision towards locally assembled automobiles the case of Lifan automobile.

As far as the researcher's knowledge concerned, there was no previous empirical research is undertaken on the factors that influence buyers' purchase decision making towards locally assembled Lifan automobiles in local market context. Thus, the aim of this study is to generate empirical evidences that may bridge the gap and provide some insight in the area regarding the relationship between independent variables and buyers' purchase decision making (dependent variable) towards Lifan automobiles.

1.4 Researches Questions

The researcher has tried to address the following basic questions while conducting this research paper.

The specific research questions:

1. To what extent does Lifan automobile's attribute influence buyers' purchase decisions making?
2. To what extent does brand image of lifan company influence buyers' purchase decisions making?
3. How dose after sales service of lifan company influence buyers' purchase decisions making?
4. To what extent does Price of lifan automobile influence buyers' purchase decisions making?
5. How does external factor influence buyers' purchase decisions making towards lifan automobile?

1.5 Objective of the Study

1.5.1 General objective:

- The general objective of the study is to examine the effect major factors on the buyer's purchase decision making of locally assembled Lifan automobile in local market context.

1.5.2 Specific objectives:

Particularly, the specific objectives of the study are:

1. To analyze the effect of product attribute on lifan automobile buyers' purchase decision.
2. To examine the effect of brand image on lifan automobile buyers' purchase decision.
3. To investigate the effect of after sales service on lifan automobile buyers' customers purchase decision.
4. To examine the effect of price factor on lifan automobile buyers' purchase decision.
5. To examine the effect of external factor on lifan automobile buyers' purchase decision.

1.6 Hypotheses:

H1: There is positive and significant relationship between Products attributes and buyer's purchase decision making of locally assembled Lifan automobile.

H2: There is positive and significant relationship between brand image and buyers' purchase decision making of locally assembled Lifan automobile.

H3: There is positive and significant relationship between after sales service and buyers' purchase decision making of locally assembled Lifan automobile.

H4: There is positive and significant relationship between price factor and buyer's purchase decision making locally assembled Lifan automobile.

H5: There is positive and significant relationship between External factors and buyer's purchase decision making of locally assembled Lifan automobile.

1.7 Significance of the study:

Understanding consumer purchase intentions is important for researchers and practitioners because it serves as a representation to actual consumption. in view of this, the importance of this study could be viewed from two dimensions: theoretical contributions & practical implications.

Theoretically, the study can fill an important gap in the literature concerning consumers' purchasing behavior of locally assembled private automobile in local auto industry market setting. Therefore, the findings of this study can add to the existing body of literature & can serve as a starting point for further studies.

On the practical view, the study can help decision makers & marketing practitioners' to have in-depth insight on the determinants of buyers' purchasing decision and developing and implementing effective marketing strategy.

1.8 Scope of the study:

Even though, there may be abundant influences of purchase decision making, the research only focus 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 lifan automobiles after review of related literature and observed empirical gap in the area.

The research only takes account of those who bought lifan automobile and live in geographical area of Addis Ababa city. The reason for selecting Lifan automobile from assembly industry was due to its proximity and more of its customers found in Addis Ababa city.

1.9 Limitations of the study:

First, the consumer buying behavior is complex and affected by cultural, social, personal, and psychological factors. Other factors like Economic, Technology, Political are also have considerable influence on the buying behavior. Whereas, this research was only focus to investigate the effect of independent variables; product attribute, Brand image, aftersales service, price factor and external factors on the purchase decision lifan automobiles. Thus, the research limited to examining few explanatory variables.

Second, the researcher has conducted the research in only one organization in the geographical area of Addis Ababa city within the locally assembled automobile industry.

The third limitation was lack of previous published data or study that has been conducted especially with regard to customer purchase decision making on locally assembled automobiles.

Consequently, finding measurement instruments was very difficult so that the researcher has forced to adopt previous foreign countries studies.

1.10 Operational Definition of Terms:

Consumer Behavior: Consumer behavior is about human responses in a commercial word. People consume things and also consume and buy these products according to their needs, preferences and buying power and these can be consumable goods, durable goods, specialty goods or, industrial goods (Solomon, 2006).

Buying Behavior: is slightly different from consumer behavior as it emphasizes on the actual buying (purchasing) behavior of the consumer and the factors influencing the decision-making process (Solomon, 2006).

Brand Image is the mental picture or perception of a brand or a branded product or service and includes symbolic meanings that consumers associate with (Ogba and Tan, 2009).

Purchase Intention is a dependent variable that depends on several external and internal factors such as stimulus or triggers the cue that triggers a buyer towards considering a product or a brand to be included in the consideration set, outcome expectation out of the use of the product or a service, the inspirational value, recommendation and emotional association (Mba ,2016)

1.11 Organization of the study

The arrangement of the research paper is organized into five chapters; the first chapter deal about background of the study, statement of the problem, research question, objectives of the study, significant of the study, scope and limitation of the study and organization of the study. The second chapter of the paper was concerned on presenting the review of the related literature which described the detail theoretical aspects that support and clarify the practical aspects of the study. The third chapter focused on research design and methodology. The forth chapter discusses about data presentation and analysis. Finally, under chapter five the summary of findings, conclusion and recommendation was presented.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

This chapter demonstrates the review of related literatures which is classified in to theoretical frame work, empirical review and conceptual framework. The theoretical frame work part includes definition of consumer's behavior, factors affecting buying behavior, Buyer's decision making process, and types of decision-making process satisfaction. And the second part of this chapter is empirical review of previous researches and finally the last part of the chapter is conceptual framework which is about the basic framework of this study and formulation of hypothesis.

2. Theoretical literature review

2.1 Definitions of Terms

To start with it is necessary to define the term “consumer behavior”. Business Dictionary offers the following definition. “Consumer buying behavior is the process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants”. Also in many research articles, authors use the next definition. “Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society

Consumer behavior: According to Solomon (2011) consumer behavior is about human responses in a commercial word. He stated that people consume things and also consume and buy these products according to their needs, preferences and buying power and these can be consumable goods, durable goods, specialty goods or, industrial goods. For example he demonstrate this, what we buy, how we buy, where and when we buy, in how much quantity we buy depends on our perception, self-concept, social and cultural background and our age and family cycle, our attitudes, beliefs values, motivation, personality, social class and many other

factors that are both internal and external to us. While buying, we also regard as whether to buy or not to buy and, from which source or seller to buy

Purchase Intention: According to Mba (2016) purchase intention is a dependent variable that depends on several external and internal factors such as stimulus or trigger the cue that triggers a buyer towards considering a product or a brand to be included in the consideration set, outcome expectation out of the use of the product or a service, the inspirational value, recommendation and emotional association. Roozy et al. (2014) also states the purchase intention is subject to willing purchase, considering purchase and recommendation purchase.

Purchase Decision: Consumer Purchasing Decisions: is the decisions made about purchasing either products or services from a pet retailer. “Consumer purchasing decision process intervenes between the market strategy and the outcomes. The firm can succeed only if consumers see a need that its product can solve, become aware of the products and its capabilities, decide that it is the best available solution, proceed to buy it, and become satisfied with the result of the purchase” (Hawkins et al.2004).

According to Kotler (2002) in the evaluation stage, the consumer forms preferences among the brands in the choice set and may also form an intention to buy the most preferred brand. However, two factors can intervene between the purchase intention which another person’s attitude reduces one’s preferred alternative. The second factor is unanticipated situational factors that may erupt to change the purchase intention.

Consumer’s decision to purchase is heavily influenced by perceived risk. The amount of perceived risk varies with the amount of money at stake, the amount of attribute uncertainty, and the amount of consumer self-confidence. Consumers develop routines for reducing risk, such as decision avoidance, information gathering from friends, and preference for national brand names and warranties. Smart marketers study the factors that provoke a feeling of risk in consumers and then provide information and support to reduce the perceived risk.

2.2 Evolution of Decision-making Models:

Name of the Model	Authors, Year	Short description
Simon model	Simon (1960)	<p>This model conceptualizes the decision-making process in three stages of activities: intelligence activity, design activity, and choice activity.</p> <p>Simon argues that decision-making is a cognitive process that can be separated into simple, sequential steps.</p>
Nicosia model	Nicosia (1966)	<p>This model concentrates on the communication process that occurs between a brand and a consumer. It uses a flow of events through different stages that are identified as fields.</p> <p>The theory explains the buyer behavior of individuals over a period. More specifically – the brand choice behavior of the buyer. The authors identify the elements of consumer decision process (a set of motives; several alternative courses of action, and decision mediators by which the motives are matched with the alternatives), observed the changes that occur in them over time as a result of their repetitive nature and showed how a combination of decision elements affects search processes and the incorporation of information from the buyer’s commercial and social environment. This model suggests three levels of consumer decision-making: extensive problem solving limited problem solving, and habitual response behavior.</p>
Theory of buyer behaviour	Sheth & Howard (1969)	

An alternative conceptualization for consumer behaviour and product performance	Narayana & Markin (1975)	The authors explain consumer behaviour by describing the term “evoked set” by including and classifying all the brands that may be in the consumer’s “awareness set”, inert, and inept set. They presented a conceptual framework for probable consumer behaviour when faced with a multiplicity of brands.
Keeney’s four-stage decision-making model	Keeney (1982)	This four-stage model takes a staged approach: Structure the decision problem (generation of alternatives and specification of objectives), assess possible impacts of each alternative, determine preferences (values) of decision makers, and evaluate and compare alternatives. This model depicts the anticipated complexities at each stage.
Rassuli & Harrell model	Rassuli & Harrell (1990)	The perspective proposed here is that choice and purchase can be viewed as inputs into a process, not merely the end of consumer decision-making efforts. In this way, one recognizes the feedback, from choice to other consumer-behaviour variables.
Smith & Rupp’s model	Smith & Rupp (2003)	This model is an Internet-based model that takes into account external influences of website marketing, the socio-cultural environment, and psychological issues on online consumer tasks which is followed by to a purchase and post-purchase behavior.
The Marketing Spiral	Armano D(2007)	Consumer behaviour is like a spiral that begins with an interaction as opposed to communication. The spiral amplifies as the consumer increases engagement.

McKinsey's dynamic model of the consumer decision journey Court , Elzinga & Vetnik (2009) This model is more circular than sequential and has four primary phases: initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and post-purchase, when consumers experience them.

2.3 Variations in Consumer Decision-Making

Solomon (2006) characterized the decision-making process as the amount of effort that goes into the decision each time it must be made. They found it convenient to think concerning a continuum, which is started by habitual decision-making and ends with extended problem-solving. Many decisions are in the middle and characterized by limited problem-solving.

Extended problem-solving phase is similar to traditional decision-making process described above. Limited problem-solving is usually more straightforward and simple. People instead use simple decision rules to choose among alternatives. Habitual decision-making refers to decisions that are made with little or no conscious effort – to make choices characterized by automaticity with minimal effort and without conscious control.

Another researcher Armano (2007) has a different non-linear view of the decision process, so-called “The Marketing Spiral” The author explains it that the spiral amplifies the more the consumer engages, from interaction to engagement, to participation, to conversation, to affinity, to a community. The process of the one cycle may repeat itself adding more cycles to the spiral. But this model did not receive a lot of attention from other researchers so far.

McKinsey & Company (2009) supports traditional decision-making model but showing it as a circular process with four phases: initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and post purchase, when consumers experience them

A lot of research was done to investigate the how company's brand influences buyer behavior. Macdonald & Sharp (2000) describes a replication of the study of Hoyer and Brown on “Brand awareness effects on consumer decision making for a common, repeat purchase product”. They

examined brand awareness in the consumer choice process. The results of this study support the idea that brand awareness is a dominant choice tactic among other awareness tactics. Choosing from different brands consumers show a preference for the high awareness brand, despite quality and price factors.

Likewise, Heilman, Bowman & Wright (2000) examined how brand preferences and marketing activities evolve for consumers who are new to a market. The authors developed a theoretical framework that starts with a consumer first purchase in a category and shows subsequent purchases in sequential purchasing stages. The theory is based on the idea that choices made by new to the market consumers are driven by two forces. The first is an information collection stage. The second is a stage in which information collection is extended to less known brands. The authors use a logit-mixture model with time-varying parameters to capture the choice dynamics of different consumer segments. The results of the study show the importance of taking into account a product experience and learning of consumers new to the market when studying the dynamics of choice processes.

2.4 Factors affecting consumer behavior

Consumer behavior studies from individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. There is a huge variety of consumers from a small child asking mum to buy a new game to an international corporation executive making a huge investment deal. Consumers seek items to satisfy their basic needs and desires. Consumer behavior is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behavior (Solomon, 2011). Marketers study consumers buying patterns to solve where they buy, what they buy and why they buy. However, why consumers buy a specific product is not easy to solve because the answer is locked deep within the consumers' mind (Kotler and Armstrong, 2010). Generally consumers can be categorized to individual and organizational consumers. Individual consumers try to satisfy their own needs and wants by purchasing for themselves or satisfy the need of others by buying for them. These individual consumers can come from different backgrounds, ages and life stages (Khan, 2006). A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Consumer behavior is a part of human behavior and

by studying previous buying behavior; marketers can estimate how consumers might behave in the future when making purchasing decisions (Kotler and Armstrong, 2010).

2.4.1 Social factors

Social factors affect consumer behavior significantly. Every individual has someone around influencing their buying decisions. The important social factors are: reference groups, family, role and status Perreau (2014). Every individual is consumer, but still belongs to a group. The group to which a consumer belongs is called a membership group. This is a direct and simple classification. The second group type is a reference group. The reference group influences the self-image of consumers and consumers' behavior. The reference group provides some points of comparison to consumers about their behavior, lifestyle or habits. Usually there are many smaller reference groups, which are formed by family, close friends, neighbors, work group or other people that consumers associate with. The groups to which a consumer does not belong yet can also influence. These inspirational groups are groups where a consumer aspires to belong and wants to be part in the future (Kotler and Armstrong, 2010), and (Khan, 2006). Family members can influence individual consumers' buying behavior. A family forms the environment for an individual to acquire values, develop and shape personality. This environment offers the possibility to develop attitudes and opinions towards several subjects such as social relations, society and politics. A family creates first perceptions about brands or products and consumer habits Khan (2006). For example, the consumers who have created brand perceptions when they were young can carry out these same brand selections in the adult life without even recognizing that their family influenced these selections. Individuals play many different roles in their lives. Each role consists of activities and attitudes that are expected from an individual to perform according to the persons around him (Kotler and Armstrong, 2010). Social status reflects the position that individuals have in social groups based on such things as money and wealth, education or occupation. In many societies status is important and people want the admiration of others. Social status can be acquired by being successful in life or being born into money. Product and brand selection often reflects the social role and status.

2.4.2 Personal factors

An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept. Consumers'

change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behavior and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, nontraditional stages such as unmarried couples, childless couples, same sex couples, single parents and singles marrying later in life(Kotler and Armstrong, 2010).It can be assumed that consumers' taste can change during lifetime and has influence on brand selection in different stages of life. A consumer's occupation and purchasing power influence purchasing decisions and buying behavior. The income level affects what consumers can afford and the perspective towards money. People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other, and share the same kind of values and ideas. Income level affects on what consumer can afford and perspective towards money (Solomon, 2004). Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury brands or designer clothes. Consumers' life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An individual's lifestyle consists of different life style dimensions ,these dimensions are:

1. Activities describe how consumers spend their time, e.g. work, hobbies or vacations.
2. Interests are consumers' preferences and priorities e.g. family, home or food.
3. Opinions tell how consumers feel about different issues, e.g. themselves, politics or products.

Plummer (1974).

These life style dimensions express a person's pattern of living. Lifestyle will influence consumers' buying behavior and decisions (Kotler and Armstrong,2010). Personality distinguishes one person from another by individual traits. These personal traits can be self-confidence, adaptability, sociability and dominance. (Kotler and Armstrong, 2010).Personality determines how we see ourselves and the world around us as well as how other people see us. Attitudes, values and people around us shape our personality. Personality alters during life when a person grows up and changes surroundings. Self-concept is a multi-dimensional and complex

term. Kardes (2011) describes the self-concept as follows “Self-concept is often described as the totality of an individual’s thoughts and feelings regarding him/her as an object.” In another words, it is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers’ values and traits. It allows consumers to express themselves through brand choices (Kardes, 2011). There are five dimensions of brand personality: sincerity, excitement, competence, sophistication and ruggedness. Each of these dimensions includes different factors that relate to human personality dimensions. In the first dimension sincerity brings amiability of the brand by reflecting honesty and down-to-earth values. Excitement offers consumers up-to-date information and a spirited alternative like technology brand Apple. When using Mac computers, consumers can feel their selves young and laid back. While a brand that stands for competence offers responsibility and security to consumers. Sophistication affects upper class consumers by charming with luxury, e.g. designer products such as Gucci or Rolex. The fifth dimension is ruggedness that attracts consumers opposite of sophistication. Ruggedness represents brands that are seen as tough, strong and outdoorsy (Kardes ,2011).

2.4.3 Psychological factors

A buyer’s choices are also influenced by four psychological factors, i.e. motivation, perception, learning, and beliefs and attitudes. A consumer is an individual who has different kind of needs. These needs can be biological like thirst or psychological arising from the need of recognition or belonging. A need can be aroused to a sufficient level of intensity when it alters a motive. A motive is basically a need that drives a person to seek satisfaction. Abraham Maslow is probably the most know psychologist who has examined these human needs. He sought to explain why humans are driven by different needs at different times (Kotler and Armstrong, 2010). Figure1 shows Maslow’s hierarchy of needs from the most pressing at the bottom and the least pressing at the top. The basic rule is to satisfy first the basic need before proceeding up the ladder. When that need has been fulfilled, it stops being a motivator and a person focuses on the next most important need.

Maslow’s needs are:

1. **Physiological**: basic need such as sleep, food or water.
2. **Safety**: need to feel secured and protected.
3. **Belongingness**: need to feel loved and be accepted by others.

4. **Ego needs:** to accomplish something and have status among others.
5. **Self-actualization:** to have enriching experiences and feel self-fulfillment.

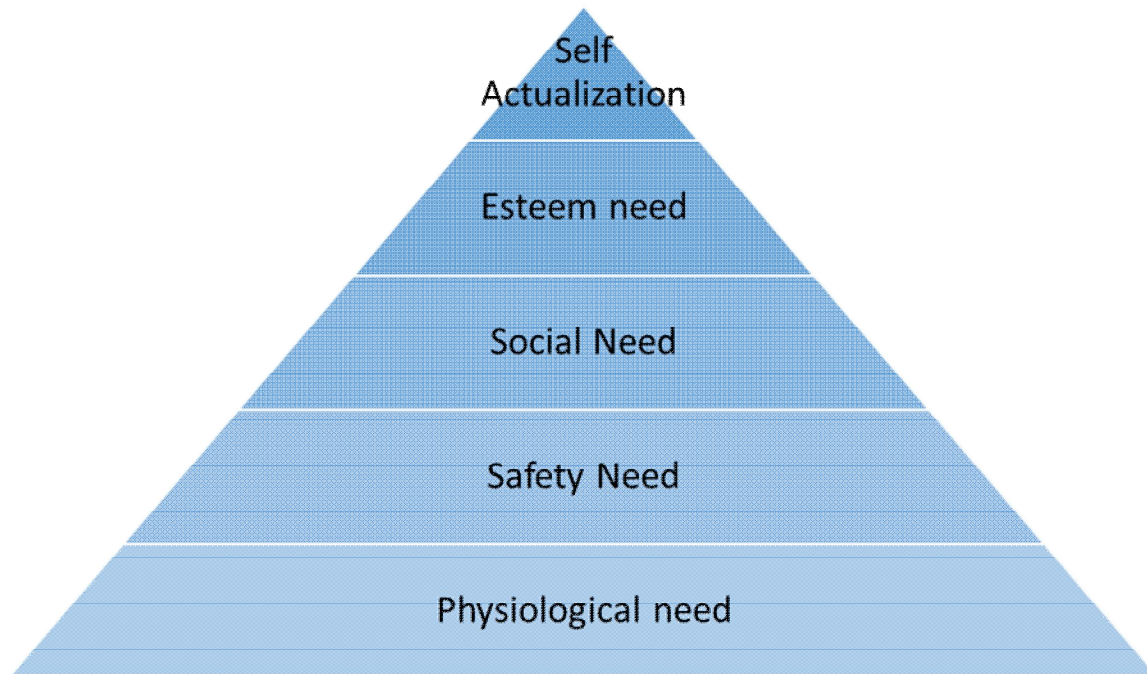


Figure 1. Maslow's Hierarchy of Needs (Kotler and Armstrong, 2010)

Perception is the process through which these sensations are selected, organized and interpreted to form a meaningful picture of the world. A person acts according to his or her perception of the situation. Each person receives thousands of sensory stimuli like light, color, sound, smell, taste and texture per day. People have a possibility to form different perceptions of the same stimuli due to three perceptual processes: selective attention, selective distortion and selective retention. At the selective attention process an individual focuses only on a few stimuli that he is exposed to. Consumers might neglect many stimuli in the environment and only focus on those related to their current need. For example, a consumer who desires to have a new car will pay more attention to different car advertising while neglecting advertising about houses. Selective distortion describes how people will interpret information in the way that it supports what they already believe. Every individual has a different perception based on own experience, beliefs and attitudes. Selective distortion leads people to situations that are compatible with their beliefs and values. For example, for brands, the message that brands communicate will never be the same

among different consumers. When people are exposed to a huge amount of information and stimuli, they are not able to retain all of it. Selective retention means what person will retain from particular stimuli or situation. This can be seen when consumers remember good points about brand they favor and forget everything good about rival brand (Kotler and Armstrong, 2010) When people are motivated, they are ready to act learning comes from action.

Learning: changes in a person's behavior that emerge from experience. People can also learn by observing others without having their own personal experience. Learning can happen even unconsciously. Consumers can hum many jingles and recognize several brands even without using those themselves. This is known as incidental learning. People can learn all the time. Consumers' knowledge of the world changes constantly as they are exposed to new stimuli and situations. They can receive feedback that allows them to alter behavior when finding them in the same kind of situation than before Solomon (2004). The consumer who has negative experience with a coffee is more likely to avoid that brand in the future because he remembers the previous experience with that. Through learning and experiencing, consumers acquire beliefs and attitudes.

A belief is a vision that consumer has on something. It can be based on real knowledge, faith or opinion. External influence like family or neighbors combined with learning produces beliefs that will influence consumers' buying behavior. Different kinds of people have different attitudes concerning religion, politics, food, music and many more.

The attitude describes consumers' feelings or evaluations toward an object or idea. Both beliefs and attitudes are hard to change. Those are anchored deep in consumers mind and can be part of a person's personality (Kotler and Armstrong, 2010).

2.5 Buyer's decision making process

The consumer decision making process defines different steps when a consumer goes through to purchase a product. If customer wants to make a purchase he or she takes a sequence of steps in order to do complete this purchase. According to Kotler (2004) the key process in consumers' decision-making is the integration process by which knowledge is combining to evaluate two or more alternative behavior and select one.

Studies suggest that customers generally go through a five-stage decision-making process whenever they make a purchase. This is summarized The model implies that customers pass through all of the stages in every purchase. However, consumers may not pass all the stages at every purchase. In small purchases or in more routine purchases consumers will go directly from problem recognition to purchase decision by escaping the stages in between.

Need recognition is the first stage in the model. Recognition of a need represents a disparity between a consumer's current situation and some desired goal. Such a disparity produces a motivation to act. Need recognition shapes the benefits consumers seek in a brand and brand attitudes. Desired benefits and brand attitudes determine the consumers psychological set, that is the mindset of the consumer toward various brands prior to seeking and processing information (Assael, 2004).

Information search: Following the buyer recognizes a need exists he or she engages in information search in markets like those for automobiles, electronics, computers, and real estate, finding out an acceptable alternative is time-consuming. Conducting a purchase involves gathering preliminary information about the various alternatives available in the market. After this, most consumers collect further information about the most promising alternatives and then decide whether or not to buy the most preferred product. At this stage, the buyer seeks information that enables them to make an informed decision. They rely on their own memory, the advice of friends, experts and advertising (Moore et al., 2006).

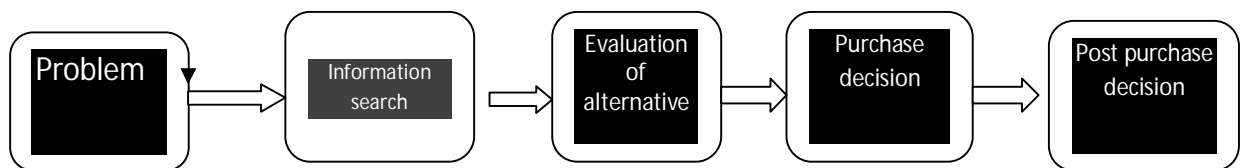


Figure 2. Buyer's decision-making process (Kolter and Armstrong, 2010)

Evaluation of alternatives stages: Here the customer weighs the possible pros and cons between available choices. The type of marketing mix, the buyer's purchasing habits and their desire for variety are all taken into consideration before the fourth stage. Consumers' go about evaluating purchase alternatives depends on the individual consumer and the specific buying situation. In some cases, consumers use careful calculations and logical thinking. At other times, the same consumers do little or no evaluating; instead they buy on impulse and rely on intuition.

Sometimes consumers make buying decisions on their own; sometimes they turn to friends, online reviews, or salespeople for buying advice (Kolter and Armstrong, 2010).

Purchase Decision In general, the consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and the purchase decision. The first factor is the attitudes of others. If someone important to you thinks that you should buy the lowest priced car, then the chances of you buying a more expensive car are reduced. The second factor is unexpected situational factors. The consumer may form a purchase intention based on factors such as expected income, expected price, and expected product benefits. However, unexpected events may change the purchase intention. For example, the economy might take a turn for the worse, a close competitor might drop its price, or a friend might report being disappointed in your preferred car. Thus, preferences and even purchase intentions do not always result in actual purchase choice (Kotler , 2012).

Post Purchase Decision: Finally, how the customer reacts to their purchase is captured in their post-purchase behavior or buyer's remorse. The larger the gap between their expectations and the product's perceived performance, the greater the level of disappointment Kotler (2012) .By studying the overall buyer decision process, marketers may be able to find ways to help consumers move through it. For example, if consumers are not buying a new product because they do not perceive a need for it, marketing might launch advertising messages that trigger the need and show how the product solves customers' problems. If customers know about the product but are not buying because they hold unfavorable attitudes toward it, marketers must find ways to change either the product or consumer perceptions(Kotler ,2012). To give an example of how consumer behavior evolves while buying a car, he will start with recognizing his or her need for a car. Then come to information collecting and processing stage. After making up his mind to buy one specific brand, for instance Skoda, the consumer makes the purchase. In the post purchase stage, the consumer evaluates the performance of the car against the expectations he or she had before buying the car. In this stage, the consumer is either satisfied or dissatisfied.

2.6 Types of decision-making process

All consumer-buying decisions are not the same and amount of effort put into the decision making process differs. When the decision-making process is almost automatic, snap judgment

can be made with little information search. This kind of routinely made buying decision involves little risk and low involvement. Other times the decision-making process requires a lot of time and information search. The products that are bought rarely involve high risk and extensive problem solving (Kardes, 2011). Figure 3 shows four types of decision-making based on the degree of consumer involvement.

	High Involvement	Low Involvement
Significant differences between brands	Complex Buying Behavior	Variety Seeking Behavior
Few differences between brands	Dissonance Reducing Buying Behavior	Habitual Buying Behavior

Figure 3. Four types of buying behavior (Kotler and Armstrong, 2010)

Complex buying behavior: Can be initiated by a motive that is central to an individual’s self-concept. The products that are bought seldom like a house or a car require considerable amount of consideration before the purchase decision. The consumer is highly involved because the product is expensive, risky and reflects the consumer itself. Many brands can be evaluated separately to see which brand responds best to the set of desired characteristics. (Kotler & Armstrong, 2010).

Dissonance-reducing buying behavior: Consumers are highly involved, because the product can be expensive, self-expressive and bought infrequently. However, consumers see little or no difference among the brands. It is a straightforward and simple activity to choose a product among alternatives even if the consumer may shop around. (Kotler and Armstrong, 2010).

Habitual buying behavior

Here habitual decision-making choices making where information is searched. Many decisions are made so routinely that the consumer does not even realize them before seeing products in the shopping cart. It is almost like consumer works automatically without conscious control. This kind of activity can be seen dangerous or stupid, but at the same time efficient. The consumer can minimize the time used selecting products and energy spends on decisions. This habit becomes a problem for marketers when they want to change the consumer's old habits by introducing a new product (Solomon,2004). The products that are purchased frequently, like coffee in this case, can be categorized to the habitual decision-making mode. Selecting a coffee brand does not need high consideration or information search; it can be just picked up from the shelf and bought. The involvement level is low in this case and consumers are likely to stay with one brand for a long time.

Variety seeking buying behavior

As the name already reveals, consumers are interested to change the brand for the sake of variety rather than dissatisfaction. Consumers can make buying decisions without evaluation and evaluate the brand during consumption. However, next time the consumer might pick up a different brand simply to try another brand. Kotler & Armstrong (2010).These kind of decisions are usually made with the products that are bought everyday like cookies or coffee. Marketers can encourage consumers to variety seeking by offering low prices, free samples, or special deals are usually made routinely with little or no conscious effort. This is almost opposite to extended decision.

2.7. Consumers' Buying Roles:

Group members can influence purchases in many ways. For example, men normally choose their own newspaper and women choose their own tights. For other products, however, the decision-making unit is more complicated with people playing one or more roles:

- **Initiator:** The person who first suggests or thinks of the idea of buying a particular product or service. This could be a parent or friend who would like to see a visual record of Anna's holiday

- **Influencer:** A person whose view or advice influences the buying decision, perhaps a friend who is a camera enthusiast or a salesperson
- **Decider:** The person who ultimately makes a buying decision or any part of it whether to buy, what to buy, how to buy or where to buy
- **Buyer:** The person who makes an actual purchase. Once the buying decision is made, someone else could make the purchase for the decider
- **User:** the person who consumes or uses a product or service

2.8 Ethiopian Automotive industry:

For years, many people used to consider possessing a car as a luxury, and were a symbol of high class status. Currently, however owning 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. The market for automobile spare parts, in particular, has been an attractive sector for global exporters, as Ethiopia has witnessed a remarkable economic growth.

Ethiopia's automotive market seems dominated by second-hand imported vehicles while the main drivers of new commercial vehicle sales are the construction, agri-business and retail sectors. This emphasizes the high return on investment available for global exporters and manufacturers from the industry, with automobile spare parts being a particularly attractive market.

According to the Ethiopian Transport Authority, the country has just 831,265 registered vehicles by the end of 2016/17 fiscal year. Most of these are imported, having more likelihood of causing pollution, and cost a lot of money to import spare parts. ([www.ethiopian](http://www.ethiopiantransportauthority.gov.et) transport authority).

Currently, some foreign and domestic companies are running car assembly lines in this country. Chinese manufacturers such as Lifan and Geely are also basing operations in Ethiopia that indicates the new business looks set to grow the companies usually imports spare parts, and

assemble over a dozen cars per day. Producing cars locally allows companies to avoid paying import tax that applies to foreign vehicles, and offer consumers a cheaper product. Currently, assembled vehicles are highly available in the country, with an equivalent price of used imports, which could be a strong competitive advantage. These companies are also benefiting from the country's cheap work force, and create employment opportunities for several local employees.

2.9 Empirical literature review

Several studies over the past years investigated various influencing factors on the purchase decision of consumers toward automobiles. To formulate the problem scientifically, and to emphasize the importance of undertaking this study, it is essential to present a brief review of previous researches undertaken in this area. Although the review involved a large number of studies only a few studies which has direct and indirect bearing in the present study has been summarized.

Mahzabin (2016) "Consumer preferences and policy implications for the green car market", the study found that consumer preferences were sensitive to changes in fuel efficiency and emission levels. However, engine power was the most important attribute for existing owners whereas price was the most important one for potential customers, while both market segments valued emission more than fuel efficiency. Also, the domestic producer will benefit from both an increase in market size and market share if all new vehicles have higher fuel efficiency but its market share will decrease if all new vehicles have lower CO₂ emissions.

The research follows with a detailed examination of the effects of product quality attribute dimensions on Thai consumers' buying decisions, specifically in the three product categories of electronics/IT products, automobiles, and home appliances. Further analysis of the responses to questionnaires distributed at the point of sale (POS) in Chonburi Province, Thailand shows that the seven examined attribute dimensions overall have relatively similar weight and influence on Thai consumers' buying decisions, with 'reliability', 'function', and 'durability' being the most influential attribute dimensions and 'eco-friendliness' and 'customer satisfaction' being less influential. Other attribute dimensions that may have some effect on Thai consumers' buying decisions include 'support service', 'value for money', and 'adaptability' (Pajaree,2013).

Tan and Santhi (2014) "Emerging Issues in Car Purchasing Decision "The objective of this study is to identify the factors influencing consumer buying behavior towards national automobiles in the Malaysian perspective. The independent variables in this study consist of four dimensions,

namely reliability, safety, fuel economy, and price. The sample sizes of this study are 171 out of 200 targeted respondents through online questionnaire with 85.5% return rate. The unit of analysis for this research consists of individual potential car buyers in Kuala Lumpur. In addition, this study focused on the determinant of consumers buying behavior towards national cars in Kuala Lumpur with their rapid growth in car ownership. The result is tested by using descriptive (frequency analysis) and statistical analysis (reliability analysis, and simple linear regression analysis). The result indicates that the three independent variables of car's reliability, safety, and price significantly influence consumer buying behavior towards national cars in Kuala Lumpur.

Chen(2015) "Factors influencing consumers' light commercial vehicle purchase intention in a developing country" the main objective of this paper is to determine factors affecting the intention to purchase a light commercial vehicle that may be influential in a developing country. For this purpose, a self-administered survey was conducted on 408 people living in Erzurum city, North-Eastern Turkey. The data of the survey was analyzed using binary logistic regression model due to the discrete and categorical nature of the dependent variable. Results revealed that gender, age, monthly income, household size, type of driving license, type of fuel, a significant increase in the monthly income, and costs of having SRC-K licenses were significant determinants of consumers' light commercial vehicle demand.

Shehzad et al.(2014) strong brand image plays a crucial role in influencing consumers' purchasing decision making. This is because a favorable brand image can positively change consumers' buying behavior in favor of the products or services in supporting this claim, the study of (Malik et al., 2013) found that favorable brand image has a strong positive influence on the customers' decisions making in car choices. This is because people are conscious of their social status and they prefer to buy branded products. Thus, when consumers intend to buy automobile products, they usually choose the product with preference to strong brand name and company reputation based on trust and pervious experiences because of the favorable attitudes towards the brands. This indicates that there is a strong relationship between favorable brand image and consumers' purchasing decision in the automobile market.

It has been proven that a product associated with a negative brand image will adversely affected purchase decision because it will be informed by the consumer that it is not of good quality and

will be evaluated unfavorably. Brand is taken as a stereotype that influences product valuation of consumers (Catalin and Andreea, 2014).

Empirical evidence provided by (Nowlis, 2005) explains that price affects consumers' choice of brands. More over price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality. Kenesei and Todd (2003) argued that price is probably the most important consideration for the average consumer. An analysis of frequently purchased, relatively low-priced consumer products price is consistently found to be a strong quality indication nearly as strong as brand name. Sometimes customer knows the brand name well but do not agree to the product price because other brand products are available in market with lower price. However, in some instances, high price, can in fact, positively influence alternative evaluation-by leading consumers to attribute higher quality to a brand that carries a higher price tag (Al-Salamin and Hasan, 2016). Successful brands always get a greater space in customers' mind. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price.

One of the recent studies showed that the price of the private label brand is associated with the lower quality (Zielke and Dobbstein, 2007). The consumers who are moderate usage customers will not buy private label brands due to the reason of low price. Various findings from the previous studies showed that price stands an important position in affecting consumers' attitudes towards brands, either positively or negatively (Burton et al. 1998). In addition, Sinha and Batra (1999) showed that price is a highly significant predictor of consumers' attitudes towards private label brands.

Ethinanwo and Zaki (1996) examines the best practices of after sales services in four major automobiles firms in Germany that are Ford, Toyota, Nisssa and Fiat. They sent open ended and closed ended questionnaires in these four companies the study was concluded that after sales service represents a source of profit, customer satisfaction and is a source of product differentiation. They recommend that car producers must engineer their process in providing after sales service by making truly changes in their policies.

Rigopoulou et al.(2008) examine the consequences of after sales service on consumer satisfaction such as repurchase intention and how products promotes through word of mouth if they are content with the company's brand in the electronic market of Greece. Data was collected through close ended questioners which were administered through telephone interview from 420 respondents in Greece. They considered installation delivery, customer satisfaction; repurchase intention and word of mouth as variables. They used path analysis to draw results, which show that after sales service has significant and positive impact on customer satisfaction which in turn positively impact buying behavior of the customers .They suggest that service marketing managers should understand the impact of after sales service on satisfaction and behavioral intention Danish and Sanatullah (2011) under "After sales service and consumers buying behavior: an empirical investigation in automobile industry of Pakistan" they examined the impact of after sales service on the consumer buying behavior in automobile industry of Pakistan. The result clearly indicates the easy availability of spare parts, easy availability of technicians; parts compatible spare parts and numbers of workshops (service center) have significant impact on the consumer buying behavior. The implication of the study is that the automobile s firm should put more emphasis on the easy availability of spare parts and technician, customization in service and parts replacement warranties, so that they can influence the buying intention of consumers.

Zeithaml and Berry (2006) they investigated the consequences of service equality on behavioral intension .Four companies selected and a close ended questioner was mailed to the manager of the companies' .the result show that after sales service has significant and positive impact on consumer's buying intention.

Many researchers have found out that the social influences play a vital role when the consumers are making decision on purchasing (Mourali, and Pons, 2005). People tend to be easier influences by the words of others (Kelman, 2011). In a survey of teens (age 8-12), both boys and girls reported that they always seek for the advice or opinions of their friends based on fashion-related items and tend to purchase the similar clothes that their friends wear (Nelson and McLeod, 2005).This showed that people will influence by their friends when they are making decision on buying any product.

In addition, media stands an important position on influences ones' attitudes towards private label brands. According to Karrh (2001) an empirical study showed that people's purchasing behavior will be influenced by the commercial advertising in media. The results of past research conducted in US found that the exposure to commercial media contributes to increase the intention to purchase a product or service. Nelson and McLeod (2005) mentioned that media exposure included watching TV, listening to CDs, listening to radio, spending time online and at the movies.

In a previous study, Nelson and McLeod (2005) Parents influence their children's consumption values .Those parents who were highly materialistic tended to have children with materialistic (Nelson and McLeod, 2005). Parents and siblings are another persuasive social way in order to influence one's attitudes towards certain products or services (Nebenzahl and Secunda, 2003). According to Liu and Bai (2005), 75.4% of people will discuss with their family when they are making decision on purchasing. Therefore, social has a great influence on an individual, especially when a large portion of an individual holds a particular thought, attitude, feeling or behavior. It is likely that the individual will adopt the particular thought, attitude, feeling or behavior as well (Rashotte, 2007).

2.10 Conceptual frame work and Hypothesis of the study

2.10.1 Conceptual frame work of the study:

A conceptual framework indicates the crucial process, which is useful to show the direction of the study. According to the conceptual frame of the study purchase decision is dependent variable and independent variables are product attribute, Brand image, after sales service, price and external factor. The conceptual frame the study adopted from review of related empirical researches Kusuma (2015) and Nareth at el.(2012).

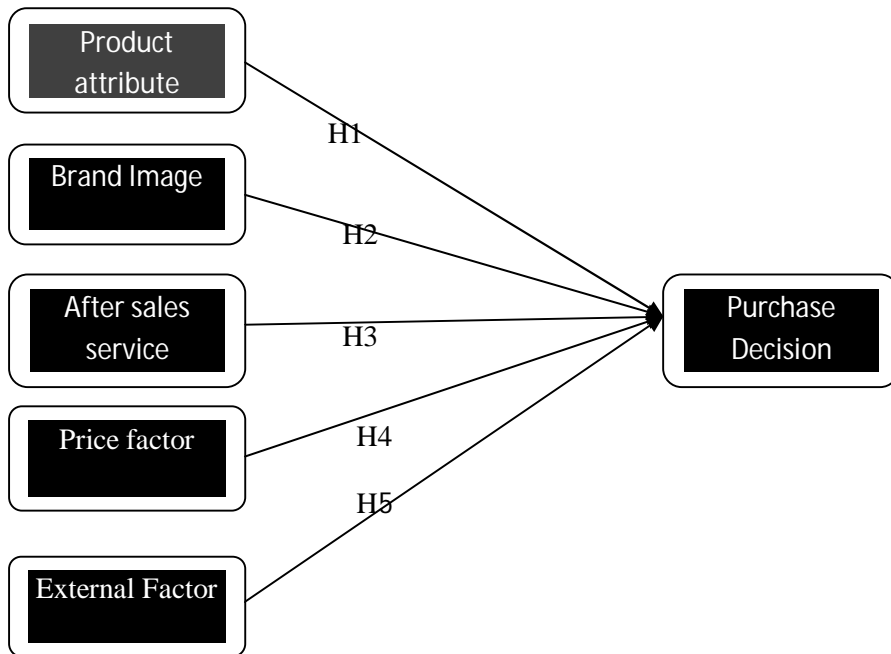


Figure 4. Conceptual framework of the study

Source: Adapted from Kusuma (2015) and Nareth et al. (2012)

2.10.2 Hypothesis of the study

Product attributes: play a vital role when consumer engage in a decision rule since the outcome of a purchase decision is determined by its attributes. Consumers, furthermore evaluate products on the basis of attributes they perceived to be important to them (Blackwell and Engel, 2006). Therefore, the hypothesis:

H1: There is positive and significant relationship between Products attributes and buyer's purchase decision making of Lifan automobile.

Brand Image: According to Keller (2013) creating a positive brand image takes marketing programs that link strong, favorable, and unique associations to the brand in memory. Brand associations may be either brand attributes or benefits. Shehzad et al. (2014) Strong brand image plays a crucial role in influencing consumers' purchasing decision making. Therefore the hypotheses:

H2: There is positive and significant relationship between brand image and buyers' purchase decision making of locally assembled Lifan automobile.

Price factor: According to Kenesei (2003) the price is the best cost that can be determined by the buyer, which includes time, displacement costs, and emotional costs. Mirabi et al. (2015) consumer satisfaction is also strongly influenced by direct price perception and price equity indirectly. While (Lee and Body,2010) find prices as a strong predictor of consumer purchasing decisions. Therefore the hypothesis:

H3: There is positive and significant relationship between price factor and buyers' purchase decision making of locally assembled Lifan automobile.

After sales service :Rigopoulos er.al.(2008)examines the consequences of after sales service the customer satisfaction such as repurchase intention and how products promotes through word of mouth if they are connected with the company's brand in the electronic market of Greece. Danish and Sanatullah (2011) under "After sales service and consumers buying behavior: an empirical investigation in automobile industry of Pakistan" they examined the impact of after sales service on the consumer buying behavior in automobile industry of Pakistan. The result clearly indicates the easy availability of spare parts, easy availability of technicians; parts compatible spare parts and numbers of workshops (service center) have significant impact on the consumer buying behavior. Therefore the hypothesis:

H4: There is positive and significant relationship between aftersales service factor and buyers' purchase decision making of locally assembled Lifan automobile.

External Factor: Many researchers have found out that the social influences play a vital role when the consumers are making decision on purchasing (Mourali, Laroche and Pons, 2005). People tend to be easier influences by the words of others (Kelman, 2011). Therefore the hypothesis:

H5: There is positive and significant relationship between external factors and buyers' purchase decision making of locally assembled Lifan automobile

CHAPTER THREE

RESEARCH METHODOLOGY

INTRODUCTION

This chapter described the methodological procedures that has been used for answering the research questions proposed in Chapter one. The first section highlighted an outline of the research approach and design followed by population and sampling technique then the source of data, data collection and analysis methods, validity and reliability issues and finally, ethical consideration issued.

3.1 Research approach

This study used a quantitative research which is deductive in nature. According to (Bhattacharjee, 2012), the goal of deductive research is to test concepts and patterns known from theory using new empirical data. Quantitative research is the systematic and scientific investigation of quantitative properties, phenomena and relationships. The objective of qualitative research is to develop and, empirical model, theories and hypothesis pertaining to natural phenomena. It usually a theory or a general statement proposing a general relationship between variables. Quantitative researches favor methods such as survey and experiment's, and will attempt infer from the particular to general. Quantitative approach involves the generation of data in quantitative form which can be subject quantitative analysis in a formal and rigid fashion (Kothari, 2004).

This study used quantitative approach, it is based on deductive approach where the hypotheses of the study were tested and finally perspectives from many consumers to make a conclusion. So a quantitative research was chosen for this study. The major the relationships among variables were also established. To reason for choosing a quantitative research strategy for this study was it emphasizes quantification in the collection and analysis of data. In conclusion, quantitative research strategy is better for this study compared with qualitative research strategy, and reality can be reflected sufficiently by a large number of data.

3.2 Research Design

Research design is the conceptual structure which constitutes the blue print of what the researcher intend to do from writing the hypothesis and its operational implications to the final

analysis of data. Walliman (2006) research design provides a framework for the collection and analysis of data and subsequently indicates which research methods are appropriate.

The major purpose of descriptive research is description of the state of affairs as it exists at present (Kothari, 2004). According to Creswell (2012) an explanatory research design is a correlational design in which the researcher is interested the extent to which two variables or more co-vary, that is, where changes in one variable are reflected in changes in the other.

This study has been employed both descriptive and explanatory research. Since this study attempts to investigate the effect of independent variables on purchase decision (Dependent variable) employing explanatory research design was appropriate. Through descriptive analysis the primary data collected through questionnaires about respondents' demographic profile was described. In addition, explanatory analysis was also used to test the hypothesis and analyze the relationship between the dependent and independent variables of the study.

3.3 Population and sample

According to Zikmund(2003) a population is any complete group that shares some set of characteristics. A population consists all elements (individuals, items or objectives) whose characteristic are being studied A sample is a subset or some part from a large population .By using sample, researchers save lot of time and money, get more detailed information and they are able to get information which may not be available otherwise.

In this study the population is all lifan automobile owners in Addis Ababa. Based on large sample size determination formula for the population that are large to yield a representative sample for population (Cochran,1997) .The Sample size of 384 items was selected from the universe to constitute a sample.

3.4 Sample size

Sample size refers to the number of items to be selected from the universe to constitute a sample. The size of the sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirement of efficiency, representativeness, reliability and flexibility (Kothari, 2004).

Defining sample size is very important issue since a sample that is too large may waste time, resource & money. Saunders (2012) researchers normally work to a 95% level of certainty. Cochran(1997), for the population that are large to yield a representative sample for population which is Valid; where N is a sample size Z is the Abscissa of the normal curve that cuts off an area “...”at the tails, the tails are (1-) equals the desired confidence level .i.e. 95% “E” denotes the desired level of precision, ”P” is the estimated probability of attribute that is present in the population. “q” is 1-P. the value for Z is found in the statistical tables which contain the area under the normal curve the resulting sample in this study was determined as follows:

$$N = \frac{Z^2 pq}{e^2}$$

Where:

N= Sample Size

Z²= the abscissa of the normal curve that cuts off an area at the tails(1-x equals the desired confidence level.

e=the desired level of confidence

P=the estimated proportion of (standard Deviation) of an attribute that is represent in the population, and q is 1-p.

95% confidence level,5 standard deviation a margin of error(confidence interval) of +/- 5% and Z score (is found in statical tables which contain the area under the normal curve)=1.96

$$N = \frac{(1.962)^2(0.5)(0.50)}{(0.05)^2} = 384.16$$

Based on the above calculation, sample size of 384 was selected from the target population considering the large population target group.

3.5 Sampling Technique

Sampling technique is a technique used to select suitable sample so as to represent the whole population. There are two common sampling techniques; probability and non-probability sampling. Probability sampling is where the population has an equal opportunity of being selected but in non-probability sampling method, the probability of being selected is unknown (Bhattacharjee, 2012).

Convenience sampling is a type of non-probability sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study (Dornyei,2007). The main assumption of associated with convenience sampling is that the members of the target population are homogeneous. That is, that there would no difference in the research results obtained from a random sample, nearby sample, a co-operative sample, or a sample gathered in some inaccessible part of the population (Leiner,2014).

Under this study, the researcher was forced to use a non-probability sampling method of convenience sampling technique because of:

1. The difficulty to get complete list of target population; as there was no formal sampling frame.
2. The target populations of the study were geographically scattered.
3. This sampling technique gives a better result within a small budget and time constraints (Farhana&Islam, 2012).

Through using convenience sampling technique the survey questioner was distributed to sample respondents who own Lifan automobile at Lifan motors' service center, different offices, various fuel stations and metro taxi stations around different corner of Addis Ababa city.

3.6 Data source and types

There are two type of data sources; primary and secondary data source. Primary data source is information source that need to be gathered from the original source. On the other hand, secondary data source is the one used from already availed or from source that has been collected for another purpose.

Both primary and secondary sources of data were used in this study .The primary data were collected from sample respondents using survey questionnaire .On the other hand, secondary data was also employed from relevant literatures.

3.7 Instruments of Data Collection

Bhattacharjee (2012) noted that survey research is a research method involving the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts and behaviors' in a systematic manner.

Some of the advantages of survey are; first, survey is an excellent vehicle for measuring a wide variety of unobservable data such as people's preferences, traits, attitudes, beliefs behaviors or factual information. Second survey research is economical in terms of research time, effort and cost than most other methods such as experimental research and case research. Third, due to their unobtrusive nature and the ability to respond at one's convenience, questionnaire survey is preferred by some respondents (Bhattacharjee, 2012).

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner. Structured questions ask respondents to select an answer from a given set of choices (Bhattacharjee, 2012).

Respondents were asked to answer questionnaire whenever they are free. Hence, survey study was carried out to collect primary data from sample respondents through structured questionnaire. The instrument used in this study was a close-ended questionnaire that was adapted from the review of related literature .Close-end, mainly Likert-scale, questions was used to collect data from respondents but not questions relates to demographic characteristics of the respondents. The five-point Likert scale weighing was:1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree. It is a widely used rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions (Sekaran, 2003). This rating scale is easy to conduct and administer and respondents readily understand how to use the scale.

The questionnaire this study was divided in to the following sections:

Section One: Demographic variables, the demographic information will be collected with closed-ended questions.

Section Two: Independent variables, this section measure (product attribute, Brand image, after sales service, price factor and External factor)

Section Three: Dependent variables (i.e. Purchas decision making of buyers) with respect to locally assembled Lifan automobile.

The questionnaire of this study presented in English and Amharic version. The Amharic version was translated from the English version and commented by the advisor. Besides, pilot questionnaire were also distributed to some respondents before the final version.

3.8 Method of Data Analysis

The data collected is analyzed through Statistical Package for Social Sciences (SPSS) Version 20. The data were first coded in alphabetical and numerical order and then keyed in into the statistical program. Then, the data were screened and treated for errors and missing values. The selection of techniques to analyze the results of this study is done based on the research objectives. Descriptive analysis, factor analysis, reliability analysis, correlation analysis, regression analysis were used for the study. The rationale for the selection of these techniques is as follows:

- **Descriptive statistics:** to describe the characteristics of the respondents and demographic comparison.
- **Reliability /Internal Consistency / Analysis:** reliability of data tested using the cronbach's alpha. The reliability and internal consistency of the data are measured by the Cronbach Alpha coefficient. George and Mallery (2003) provide the following rules of thumb: $\alpha > 0.9$ Excellent, $\alpha > 0.8$ Good, $\alpha > 0.7$ Acceptable, and $\alpha > 0.6$ Questionable $\alpha > 0.5$ Poor and $\alpha < 0.5$ Unacceptable. According to Field (2007) the reliability is regarded to be satisfactory when the Alpha coefficient is equal to or exceeds 0.70.
- The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was utilized to ensure that the samples used are adequate. The KMO provides an index (between 0 and 1) of the proportion of variance among the variables that might be common variance (Darlington, 2005). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Values between 0.5 and 0.7 are mediocre and values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Field, 2007).
- Bartlett's test of sphericity was used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an

identity matrix; each variable correlates perfectly with itself ($r = 1$) but has no correlation with the other variables ($r = 0$). A value below 0.005 signifies that the data are suitable for factor analysis (Field, 2007).

Factor analysis: it was done to perform the reduction of a large set of variable items into a smaller number of factors. Only factor loadings of 0.4 and higher (Field2007) are considered to validate the items that measure each of the purchase decision influences.

Correlation analysis: it was conducted to analyze the strength and direction of the linear relationship between the variables. Pearson correlation coefficients were calculated to determine the relationships between the purchase decision influences. Correlations of 0.30 are regarded to mention worthy (Cohen, 1988). High correlation coefficients illustrate higher level of association between the influences. According to Cohen (1988), the value of Pearson's correlation is divided into three areas. A correlation coefficient between 0.10 and 0.29 will indicate a small correlation, a correlation coefficient between 0.30 and 0.49 will indicate a medium correlation, and a correlation coefficient between 0.50 and 1.0 will indicate a large correlation.

3.9 Validity and Reliability of the instruments

3.9.1 Validity

Validity refers to the credibility or believability of the research. The genuinely of the findings and a valid measure of intelligence. It is concerned with whether the findings are really about what they appear to be about (Sounders et al., 2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et al., 2003). In order to achieve this objective, the researcher was taken different steps to ensure the validity of the study:

- Survey questions were prepared based on the review of previous empirical literature to ensure result validity.
- The researcher has validated the content of the measuring instruments in the questionnaire through comments from advisor.

- Data was collected from the reliable sources, from those respondents who have good experience of locally assembled Lifan automobile products. (Primary source)

3.9.2 Reliability

Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. Reliability is essential about consistency. That is, if we measure something many times & the result is always the same, then we can say that our measurement is reliable (John et al., 2010).

Reliability /Internal Consistency / Analysis: reliability of data tested using the cronbach's alpha. The reliability and internal consistency of the data are measured by the Cronbach Alpha coefficient. George and Mallery (2003) provide the following rules of thumb: $\alpha > 0.9$ Excellent, $\alpha > 0.8$ Good, $\alpha > 0.7$ Acceptable, and $0.6 > \alpha < 0.7$ Questionable $\alpha > 0.5$ Poor and $\alpha < 0.5$ Unacceptable. According to Field (2007) the reliability is regarded to be satisfactory when the Alpha coefficient is equal to or exceeds 0.70.

Accordingly, the researcher was follow above reliability and validity measures to estimate the consistency of measurements. The cronbach's alpha coefficient was calculated for all items under each variable of the study and alpha coefficient value equal to or exceeds 0.70 were accepted.

3.10 Ethical Consideration

The researcher will observe strict ethical responsibilities in conducting this research. Research ethics relating to rights of human subject in field work, notably the right to inform consent; right to privacy & confidentiality & right not to be deceived or harmed as a result of participation in the research would be emphasized.

The prospective participants were fully informed about the procedures & risks involved in the research & must give their consent to participate in the survey. They were informed that their participation was voluntary & they may readily withdraw at any time. The prospective participant were also assured that their participation will not result in any adverse consequences,

and all information provided will be treated with the strict confidentiality Finally, this research practiced the principle of anonymity i.e. the participant will remain anonymous throughout the study even to the researcher.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

INTRODUCTION

This chapter presented the findings of the research in accordance to the research objectives. The analyses and interpretation of the data collected from the respondents is presented. It began with a description of the demographic respondents. The results of Cronbach's alpha coefficient for reliability were examined. Then, the results of factor analysis and correlation analysis for the research variables were discussed.

4.1 Demographic profile of Respondents

A total of 384 questioners were distributed to those who own Lifan automobiles. There were 31 invalid questionnaires (i.e. questionnaires which were not complete and questionnaires with two and more answers for a single question were discarded) .The rest 353 questionnaires were completed and used in data analysis which represented 91.92% of response rate. In order to generally describe the characteristics of the respondent; gender, educational back ground and income were part of demographic questions.

Table 1: Demographic profile of Respondents

Age of the respondents			
Gender	Frequency	Percent	Cumulative Percent
20-30	172	48.7	48.7
31-40	104	29.5	78.2
41-50	70	19.8	98.0
51-60	4	1.1	99.2
>60	3	0.8	100
Total	353	100	

Educational level			
High school	18	5.1	5.1
Diploma	71	20.1	25.2
Degree	226	64.0	89.2
Postgraduate	38	10.8	100.00
Total	353	100	100
Gender of respondents			
Male	243	68.8	68.8
Female	110	31.2	100.00
Total	353	100.00	
Income level of the respondents			
3001-10000.	81	22.9	22.9
10001-20,000	177	50.1	73.1
20001-30000	85	24.1	97.2
>30000.00	10	2.8	100.00
Total	353	100.00	100

Source: Own Survey Result, 2018

As to the age of the subjects 172 or (48.7%) of them were between 20& 30 years; 104 or (29%) of them were between 31 & 40 years, seventy (19.8%) of them were between 41 & 50 years, four (1.1%) of them were greater than between 51-60 and 3(.08%) were greater than 60.

While Educational background is reviewed, most of the respondents of educational background of both sex college diploma and first degree which constitute 84.1% of all respondent. The remaining 5.1% are high school graduate and 10.80% of them are at Masters Level. Generally, the majority of (77%) respondents are having an income exceeding birr 10,000.00.

4.2. Reliability Assessments(Internal Consistency)

The coefficient alpha scores for the entire variables to ensure that the scales developed were reliable. The Cronbach's Alpha Coefficient was employed to test their reliability. The alpha values for all constructs in the study were greater than the guideline of 0.70, so it can be concluded that the measurements can be applied for analyses with acceptable reliability.

Composite Reliability:

Table 2a: Measurement Reliability

Cronbach's Alpha	N of Items
.806	6

Source: Own Survey Result, 2018

Table 2b: Measurement Reliability

Code	Description	Question	No of item	Cronbach's Alpha
PRA	Product attribute	ALL	6	0.843
BI	Brand Image	ALL	5	0.774
ASS	After sales service	ALL	4	0.760
PF	Price Factor	ALL	4	0.720
EF	External Factor	ALL	3	0.776
PD	Purchase Decision	ALL	5	0.793

Source: Own Survey Result, 2018

As shown in table 2a and 2b it is clear all of the factors return satisfactory reliability coefficients (alpha coefficients exceeded 0.7) .A low Alpha coefficient simply indicates that the factor is less likely to present itself if the study is to be repeated when subjected in a different application setting.

4.3 Descriptive Analysis of Variables

Descriptive statistics were used to describe the basic features of the data in a study. It provides simple summaries about the samples and the measures. The researcher used descriptive Statistics to present quantitative descriptions in a manageable form; each descriptive statistic reduces lots of data into a simpler summary (Gelman, 2007).The mean scores have been computed for all the five factors by equally weighting the mean scores of all the items under each factors. Respondents were asked to rate their insight / observation on a five-point Likert types scale ranging from 1 being strongly disagree to 5 strongly agree for each variables (product attribute ,brand image ,after sales service, price factor, External factor and purchase decision .The result was presented in the Tables.

Table 3: Descriptive Statistics of product attribute

Descriptive Statistics of product attribute				
	N	Mean	Range (maximum-minimum)	Std. Devi ation
I prefer to buy locally assembled lifan automobile because it's efficient fuel consumption	353	3.16	4	.93206
I prefer to buy locally assembled Lifan automobile because of its engine power	353	3.20	4	.92521
I prefer to buy locally assembled Lifan automobile because of its durability	353	3.14	4	.75308
I prefer to buy locally assembled Lifan automobile because of its Safety and Reliability.	353	3.24	4	.96609
I prefer to buy locally assembled Lifan automobile because of its comfort.	353	3.37	4	.98549
I Prefer to buy locally assembled Lifan automobile because of its attractive interior and exterior design	353	3.40	4	.95477
Average	353	3.25	4	.772

Source: Own Survey Result, 2018

Under product attribute there are six statements which were used to test effect of on customer's purchase decision. As indicated in the table no.3, the customers' average response rate was (Mean=3.25) with the standard deviation of (0.722). In line with this, questions regarding attributes like fuel consumption & durability have got least mean value among the other variables. So based on this, the researcher came to understand that most customers of Lifan automobiles were not satisfied with some product attributes of Lifan automobiles.

Table 4: Descriptive Statistics of Brand Image

Descriptive Statistics of brand image				
	N	Mean	Range (maximum-minimum)	Std. Deviation
Locally assembled lifan automobile comes to my mind at first whenever I think of best value for my money	353	3.27	4	1.01331
Lifan motors' automobile brand image is outstanding and gives me a good impression	353	3.40	4	.97566
Locally assembled lifan automobile brand can build recognition.	353	3.39	4	.98319
While buying lifan automobile motors brand popularity is important to me	353	3.42	4	1.47927
I am willing to purchase automobile from well-known automobile company like lifan Motors	353	3.36	4	1.04624
Average	353	3.37	4	0.816

Source: Own Survey Result, 2018

Table no.4 reveals that, the average mean of brand image is (**Mean=3.37**) with the standard deviation (0.816). Question no.4 of Brand image which says "Locally assembled lifan automobile comes to my mind at first whenever I think of best value for my money" was got least mean

value (mean=3.27). This in turn implies, that more efforts need be exerted create brand awareness and build positive brand image among the public.

Table 5: Descriptive Statistics of After Sales Service

Descriptive Statistics of After Sales Service				
	N	Mean	Range	Std. Deviation
I prefer to buy locally assembled lifan automobile because its best maintenance Service	353	3.2295	4	.96002
I prefer to buy locally assembled lifan automobile because easily availability of its workshops	353	3.2606	4	.96239
I prefer to buy locally assembled lifan automobile because of it provide warranty	353	3.3116	4	.92890
I prefer to buy locally assembled lifan automobile because of easily availability of its spare parts at work shops	353	3.2465	4	1.43570
Average	353	3.26	4	.833

Source: Own Survey Result, 2018

Under after sales service, there are four statements which were used to test feedback of customers towards after sales service. Based on table no.5, the buyer's response rate is (Mean=3.26) with the standard deviation (0.833). Besides, question no3 which says "I prefer to buy locally assembled lifan automobile because of it provide warranty" scored higher mean value.

Table 6: Descriptive Statistics of Price Factor

Descriptive Statistics of Price Factor				
	N	Mean	Range	Std. Deviation
I prefer to buy locally assembled lifan automobile since its price is relatively low	353	3.56	4	1.02100
I prefer to buy locally assembled lifan automobile because its resale value is attractive	353	2.95	4	.98753
I prefer to buy locally assembled lifan automobile because its spare part price is relatively low	353	3.17	4	1.04691
I prefer to buy locally assembled lifan automobile because its maintenance cost is relatively low.	353	3.04	4	1.02298
Average	353	3.07	4	0.781

Source: Own Survey Result, 2018

Price factor is the fourth variable of the study represented by four statements. Based the descriptive statistics the average mean result was (Mean=3.07) with standard deviation of (0.781) as depicted on the Table no.6. Among questions of price factor , question no. 2 which is related to attractiveness of the resale value of locally assembled lifan automobile was score the least mean value from the other questions.

Table 7: Descriptive Statistics of External Factor

Descriptive Statistics of External Factors				
Questions	N	Mean	Range	Std. Deviation
I would buy Lifan automobile ,if recommended by family & friends	353	3.01	4	1.01676
I would buy Lifan automobile ,	353	3.32	4	1.01625
I would buy Lifan automobile, if there is credit facility to buy the automobile.	353	3.43	4	1.09062
Average	353	3.26	4	.866

Source: Own Survey Result, 2018

The statistics on Table no.7 revealed the three statements under external factor average mean value of mean (3.26) with a standard deviation of 0.866. While looking the variables under external factors availability of credit facility to purchase locally assembled Lifan motors has scored a highest value of Mean (3.433) with a standard deviation of (1.090). This implies that facilitating credit facility will positively influence the tendency to buy locally assembled Lifan automobile.

Table 8: Descriptive Statistics of Purchase decision

Descriptive Statistics of Purchase Decision				
Questions	N	Mean	Range	Std.Deviation
My decision to buy Lifan automobile is determined by its attribute quality	353	3.20	4	.96548
My decision to buy Lifan automobile is determined by its brand image	353	3.39	4	1.02284
My decision to buy Lifan automobile is determined by after sales service	353	3.50	4	.95939
My decision to buy Lifan automobile is determined by Price factor.	353	3.45	4	1.04076
My decision to buy Lifan automobile is determined by external factors	353	3.53	4	1.01976
Average	353	3.41	4	.74109

The statistics of Table no.8 questions under purchase decision scored mean value of mean (3.41) with a standard deviation of (0.741). While looking the variables under purchase Decision external factors has got a highest value of Mean (3.53) among the other questions. This implies external factor significant role in the purchasing decision making process.

4.4 Construct validity Test

Factor Analysis: is an interdependence technique in that an entire set of inter dependent relationships are examined without making the distinction between dependent and independent variables. The suitability of using factor analysis as a validation tool was checked by applying the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and the Bartlett's Test of Sphericity. The measurements are strived to measure the KMO at ≥ 0.70 and the Bartlett's significance at < 0.005 . The KMO assesses the assumptions whether there appears to be some underlying (latent) structure in the data. The Kaiser-Meyer-Olkin (KMO) measure is utilized to examine the appropriateness of factor analysis in this study. The Bartlett test of sphericity is used to determine if each set correlate perfectly with itself ($r = 1$) or has no correlation with the other variables ($r = 0$). For Statements meet the KMO and the Bartlett's Test of Sphericity requirements, factor analysis is done. Factor loadings of 0.4 and higher are considered to validate the items that measure each of the influences (Field, 2007). The variance explained by the factor analyses were serves as indicator to determine the relative importance of each of the factors influences. Then each table provides a component matrix representing values of factor loadings for each question and explains the percentage variance for each category of influences.

4.4.1 Product Attribute

Table 9: KMO and Bartlett Test – Product attribute

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.846
Bartlett's Test of Sphericity	Approx. Chi-Square	856.156
	df	15
	Sig.	.000

Source: Own Survey Result, 2018

Once factor analysis suitability had been assessed, exploratory factor analysis could then be conducted. The factor analysis of Product Attribute the construct indicates at all the questions loaded into one factor. In order to determining which factors to extract from this, only questions with factor loadings 0.4 were consider. As shown in Table no. 9 below all the questions have favorable factor loadings which is exceeding 0.40. This indicates that Product Attribute is adequately measured by the mentioned six questions.

Table 10: Factor analysis of Product Attribute

Code	Questions	Component
		1
PRA1	I prefer to buy locally assembled lifan automobile because it's efficient fuel consumption	.772
PRA2	I prefer to buy locally assembled Lifan automobile because of its engine power	.802
PRA3	I prefer to buy locally assembled Lifan automobile because of its durability	.480
PRA4	I prefer to buy locally assembled Lifan automobile because of its Safety and Reliability.	.841
PRA5	I prefer to buy locally assembled Lifan automobile because of its comfort.	.852
PRA6	I Prefer to buy locally assembled Lifan automobile because of its attractive interior and exterior design	.701

Source: Own Survey Result, 2018

The factor analysis of the product attribute influence indicates that all the questions loaded into one factor. Therefore, all the questions have favorable factor loadings (exceeding 0.40).

4.4.2 Brand Image:

The Brand Image questions are summarized in table no11. The KMO score is higher than the 0.700 requirement with 0.835 and the Bartlett's score equally satisfactory at sig. 0.000. Therefore the data were good for factor analysis

Table 11: KMO and Bartlett Test – Brand Image

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.785
Bartlett's Test of Sphericity	Approx. Chi-Square	564.835
	df	10
	Sig.	.000

Source: Own Survey Result, 2018

Table 12: Factor analysis of Brand image

Code	Questions	Component
		1
BI1	Locally assembled lifan Motors automobile comes to my mind at first whenever think of best value for my money.	.580
BI2	Lifan motors automobile brand image is outstanding and gives me a good impression.	.856
BI3	Locally assembled lifan automobile brand can build recognition.	.834
BI4	While buying Lifanautomobile Motors brand popularity is important to me..	.649
BI5	I am willing to purchase automobile fromwell-known automobile company like Lifan Motors.	.773

Source: Own Survey Result, 2018

All the questions have favorable factor loadings (exceeding 0.40).Therefore, the factor analysis of the brand image influence indicates that all the questions loaded into one factor.

4.4.3 after Sales Services

The After sales services questions are summarized in table no.13. The KMO score is higher than the 0.700 requirement with 0.733 and the Bartlett's score equally satisfactory at sig. 0.000. Therefore the data is good for factor analysis.

Table13: KMO and Bartlett Test – After Sales Services

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	570.037
	df	6
	Sig.	.000

Table 14: Factor analysis of After Sales Services

Code Questions	Questions	Component
		1
ASS1	I prefer to buy locally assembled lifan automobile because its best maintenance Service	.867
ASS2	I prefer to buy locally assembled lifan automobile because easily availability of its workshops	.908
ASS3	I prefer to buy locally assembled lifan automobile because of its warranty.	.806
ASS4	I prefer to buy locally assembled lifan automobile because of easily availability of its spare parts	.564

The entire after sales service questions load into one factor and their factor loadings are higher than the minimum requirement 0.4. This confirms that it is indeed a construct of automobile purchasing decision

4.4.4 Price Factor

The Price Factor questions are summarized in table no 15. The KMO score is higher than the 0.700 requirement with 0.835 and the Bartlett's score equally satisfactory at sig. 0.000. Therefore the data is good for factor analysis.

Table 15: KMO and Bartlett Test – Price Factor

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.676
Bartlett's Test of Sphericity	Approx. Chi-Square	351.454
	df	6
	Sig.	.000

Table 16: Factor analysis of Price Factor

Code	Questions	Component
		1
PF1	I prefer to buy locally assembled lifan automobile since its price is relatively low	.699
PF2	I prefer to buy locally assembled lifan automobile because its resale value is attractive	.434
PF3	I prefer to buy locally assembled lifan automobile because its spare part price is relatively low	.881
PF4	I prefer to buy locally assembled lifan automobile because its maintenance cost is relatively low.	.851

The KMO score is slightly lower than the 0.700 requirement with 0.676 and the Bartlett's score equally sufficient at 0.000. Although below the desired 0.700 value, a KMO value of 0.676 does not disqualify the data from being used in factor analysis.

4.4.5 External Factor

The External Factor questions are summarized in table no 17. The KMO score is higher than the 0.700 requirement with 0.702 and the Bartlett's score equally satisfactory at sig. 0.000. Therefore the data is good for factor analysis.

Table 17: KMO and Bartlett Test – External Factor

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.702
Bartlett's Test of Sphericity	Approx. Chi-Square	358.562
	df	3
	Sig.	.000

Table 18: Factor analysis of External Factor

Code	Questions	Component
		1
EF1	I would buy Lifan automobile, if recommended by family & friends	.854
EF2	I would buy Lifan automobile, if my family & friends buy/use it	.880
EF3	I would buy Lifan automobile, if there is credit facility to buy the automobile.	.821

The factor analysis of the External Factor indicates that the entire set of questions has factor loadings that exceed the required 0.4 and therefore no questions should be excluded. In addition, all these questions loaded into one factor which means that the External Factor influence is indeed a construct of purchasing decision.

4.4.6 Purchase Decision

Table 19: KMO and Bartlett Test – Purchase Decision

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.766
Bartlett's Test of Sphericity	Approx. Chi-Square	534.341
	df	10
	Sig.	.000

Table 20: Factor analysis of Purchase decision

Code	Questions	Component
		1
PD	My decision to buy Lifan automobile is determined by its attribute quality	.792
PD	My decision to buy Lifan automobile is determined by its brand image	.684
PD	My decision to buy Lifan automobile is determined by its prices	.793
PD	My decision to buy Lifan automobile is determined by after sales service	.800
PD	My decision to buy Lifan automobile is determined by external factors	.632

The factor analysis of the dependent variable purchase decision indicates that the entire set of questions has factor loadings that exceed the required 0.4 and therefore no questions should be excluded. In addition, all these questions loaded into one factor which mean- that is indeed a purchase decision construct of purchasing decision.

4.5 Summary of Findings in Factor Analysis

Factor analysis was conducted to test how well the measured variables represent the number of influences. In view of this, the factor analysis explored on the five influences and dependent variable is found to be loaded into one factor and the following were the outcomes:

All of the influences score higher factor loadings more than 0.7000 requirements with acceptable variance except price factor which is slightly lower than the 0.700 requirement with 0.676 and the Bartlett's score equally sufficient at 0.000. Although below the desired 0.700 value, a KMO value of 0.676 does not disqualify the data from being used in factor analysis. The results reveal that the measured variables do represent the number of influences tested. Thus the factor analysis conducted did confirm all the five identified influences as true influences of automobile purchasing decision. It also confirmed the statements selected for each influences and dependent variable were indeed valid. Bartlett's test of sphericity also confirmed the suitability of the data in each influence while KMO validated the appropriateness of factor analysis in this study.

4.6 Correlation between Factors

Table 4.20 below displayed a correlation matrix using the Pearson Product-Moment correlation coefficient for all variables. According to Cohen (1988), the value of Pearson's correlation is divided into three areas. A correlation coefficient between 0.10 and 0.29 will indicate a small correlation, a correlation coefficient between 0.30 and 0.49 will indicate a medium correlation, and a correlation coefficient between 0.50 and 1.0 will indicate a large correlation.

4.6.1 Correlation Analysis

The correlation between independent and dependent variables was analyzed using Statistical Package for Social Science (SPSS) version 20. The below correlation matrix shows the correlation between variables in the questionnaire with a Pearson Correlation coefficient. Table 4.21 shows the relationship among the variables considered in the questionnaire.

Table 31: Pearson Correlation Matrix

Correlation							
		Product Attribute	Brand Image	Aftersales Service	Price Factor	External Factor	Purchase Decision
Product attribute	Pearson Correlation	1	.460**	.287**	.309**	.374**	.497**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
Brand image	Pearson Correlation	.460**	1	.213**	.289**	.411**	.562**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
Aftersales service	Pearson Correlation	.287**	.213**	1	.449**	.412**	.419**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
Price factor	Pearson Correlation	.309**	.289**	.449**	1	.445**	.507**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
External factor	Pearson Correlation	.374**	.411**	.412**	.445**	1	.562**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
Purchase Decision	Pearson Correlation	.497**	.562**	.419**	.507**	.562**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	353	353	353	353	353	353

Source: Own Survey Result, 2018

Bivariate Correlation tests whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable increases, the other variable decreases). In addition to this the Pearson product moment correlation coefficient is a measure of the linear correlation between two variables X and Y, giving a value between +1 and -1 inclusive, where 1 is perfect positive correlation, 0 is no correlation, and -1 is perfect negative correlation (Pedhazur, 1982). To furthermore explain the Pearson's correlation; when Pearson's r is close to 1, this means that there is a strong relationship between the two variables. This means that changes in one variable are strongly correlated with changes in the second variable. When Pearson's r is close to 0, this means that there is a weak relationship between the two variables. This means that changes in one variable are not correlated with changes in the second variable the classification of the correlation coefficient (r) is as follows: - 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong (Field, 2007). On the other hand when Pearson's r is positive (+), this means that as one variable increases in value, the second variable also increases in value. Similarly, as one variable decreases in value, the second variable also decreases in value. This is called a positive correlation. When Pearson's r is negative (-), this means that as one variable increases in value, the second variable decreases in value. This is called a negative correlation (Field, 2007).

Sig (2-Tailed) value:-This value tells that whether there is a statistically significant correlation between two variables or not. If the Sig (2-Tailed) value is greater than .05, the researcher can conclude that there is no statistically significant correlation between two variables. That means, increases or decreases in one variable do not significantly relate to increases or decreases in the second variable. If the Sig (2-Tailed) value is less than or equal to .05, the researcher can conclude that there is a statistically significant correlations between two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable (Pedhazur, 1982). The above correlation matrix indicates that the five factors were positively and moderately and strongly correlated with consumer's purchase decision. The highest strong coefficient of correlation in this research is between brand image variable and consumer purchase decision ($r = 0.562$, $n = 353$, $p \leq 0.01$). This means that there was a significant positive relationship between brand image and consumer purchase decision. The

second highest strong coefficient of correlation is between external factor variable and consumer purchase decision ($r = 0.561$, $n = 353$, $p \leq 0.01$). Hence, there also a significant positive relationship between External factor and consumer purchase decision. The third highest strong coefficient of correlation is between price factor variable and consumer purchase decision ($r = 0.507$, $n = 353$, $p \leq 0.01$). The fourth and fifth variables i.e. Aftersales service and product attribute also lay between +0.3 to +0.49 which are under the moderate positive correlation. Generally the above correlation matrix shows that all independent variables are positively and either moderately or strongly correlates with the dependent variable.

On the above correlation table the numbers next to Sig. (2-tailed) shows that all are (.001). The convention implies that if this value is less than .05, then the correlation is considered to be significant (meaning that the researcher can be 95% confident that the relationship between variables is not due to chance). The researcher can predict that there is a significant correlation between the five independent variables and the dependent variable(Consumer's purchase decision).

4.7 Multiple Regression Analysis

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum,1997). Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that he/she influences. The investigator also typically assesses the “statistical significance” of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007).

4.7.1 Assumption Testing for Regression Analysis

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results (Hair et al.,1998).

I Multi-Collinearity

Collinearity (or multi-collinearity) is the undesirable situation when one independent variable is a linear function of other independent variables. Eigenvalues of the scaled and uncentered cross-products matrix, condition indices, and variance-decomposition proportions were displayed along with variance inflation factors (VIF) and tolerances for individual variables (Gelman, 2007). Generally, as multi-collinearity rises, it would complicate the interpretation of the variables because it is more difficult to confirm the effect of any single variable, owing to their interrelationship (Hair et al., 1998). Before regression analysis was done variation inflation factor (VIF) was checked to ensure that no interdependence exists. Since the VIF, as indicated in the table below is less than 10 which is ranged from 1.364 to, 1.519. The researcher can say that there is no interdependence among independent variables (Tabachnick, 2007). Therefore regression analysis was appropriate for this particular study.

Table 22: Collinearity Statistics

	Collinearity Statistics	
	Tolerance	VIF
PRODUCT ATTRIBUTE	.724	1.380
BRAND IMAGE	.717	1.394
AFTER SALES	.733	1.364
PRICE FACTOR	.701	1.427
EXTERNAL FACTOR	.658	1.519

Source: Own Survey Result, 2018

II. Homoscedasticity of the Error Terms

At each level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance (homoscedasticity); when the variances are very unequal there is said to be heteroscedasticity

(Field, 2005) This assumption is referred to as the description of data in which the variance of the error terms (e) appears constant over the range of values of an independent variable. The assumption of equal variance of the population ε (where ε is estimated from the sample value, e) is critical to the proper application of linear regression (Hair et al., 1998). If the variance of the regression errors is unequal, estimation is more efficiently performed using weighted least squares, where each point is weighted inversely proportional to its variance. In most cases, however, this issue is minor (Gelman, 2007).

III. Normality of the Error Term Distribution

The normality probability plots were plotted to assess normality and the values of skewness and kurtosis should be zero in a normal distribution; Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative values indicate a pile-up on the right. The further the value is from zero, the more likely it is that the data are not normally distributed (Field, 2005).

Useful graph that the researcher can inspect to see if a distribution is normally distributed is called a P-P plot (probability-probability plot). This graph plots the cumulative probability of a variable against the cumulative probability of a particular distribution (Field, 2005). The figure below showed that the data are normally distributed.

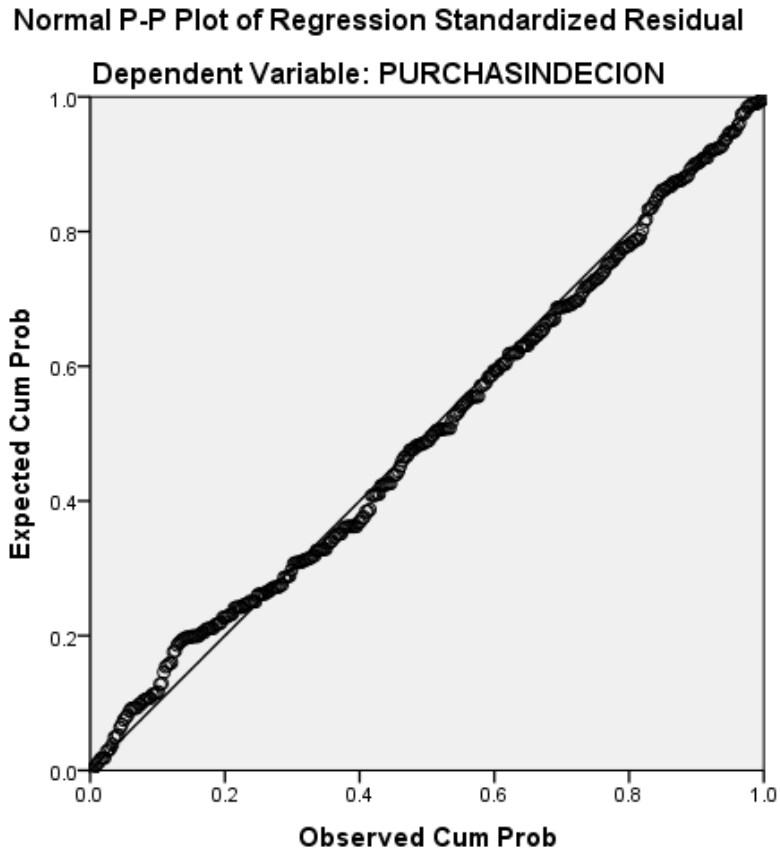


Figure 5. normal p-p plots

Table 23: Kurtosis and skewness

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
PRODUCTATTRIBUTE	353	-.130	.130	1.390	.259
BRANDIMAGE	353	-.705	.130	.165	.259
AFTERSALES	353	.136	.130	1.261	.259
PRICEFACTOR	353	.212	.130	-.018	.259
EXTERNALFACTOR	353	-.875	.130	.133	.259
PURCHASINDECION	353	-.455	.130	.511	.259
Valid N (listwise)	353				

III Independent errors

For any two observations the residual terms should be uncorrelated (or independent). This eventuality is sometimes described as a lack of autocorrelation. This assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). Durbin–Watson test of model summary was scored a value of 1.792 which is very close 2; therefore, the residual terms were uncorrelated or independent.

IV Linearity

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). Conventional regression analysis would underestimate the relationship when nonlinear relationships are present, i.e., R^2 underestimates the variance explained overall and the betas underestimate the importance of the variables involved in the non-linear relationship (Malhotra and Brik, 2007). The mean values of the outcome variable for each increment of the predictor(s) lie along a straight line. In plain English this means that it is assumed that the relationship the researcher is modeling is a linear one. If the researcher models a non-linear relationship using a linear model then this obviously limits the generalizability of the findings (Field, 2007). In the correlation analysis the entire above correlation matrix shows that all independent variables are positively and either moderately or strongly correlated with the dependent variable. Therefore, there was linearity of the relationship between the dependent and independent

4.7.2 Multiple linear regression analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regression was conducted in order to determine the explanatory power of the independent variables (Product attribute, brand image, After sales service, Price factor, external factors) to identify the relationship and to determine the most dominant variables that influenced

the consumer purchase decision. The significance level of 0.05 with 95% confidence interval was used. The reason for using multiple regression analysis was to assess the direct effect of independent variables on the purchase decision locally assembled lifan automobiles. The table 4.26 shows the model summary of the regression analysis.

Table24: Model Summary for consumers purchase decision

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.736 ^a	.541	.535	.50557	.541	81.873	5	347	.000	1.792
a. Predictors: (Constant), EXTERNALFACTOR, PRODUCTATTRIBUTE, AFTERSALES, BRANDIMAGE, PRICEFACTOR										
b. Dependent Variable: PURCHASINDECION										

The above regression model presents how much of the variance in the measure of Purchase Decision of locally assembled lifan automobile is explained by the five independent variables namely product attribute, Brand image ,After sales service, Price factor, External Factors . Besides to explain R, R², adjusted R² and Durbin–Watson in detail:

R – Indicates the value of the multiple correlation coefficient between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predict the observed value(Pedhazur, 1982). From the model summery (R = 0.736) indicates that the linear combination of the five independent variables (product attribute, Brand image, After sales service, Price factor, External Factors) strongly predict the dependent variable (consumers purchase decision).

R Square (R²) – indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word R² is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R² also range from 0 to 1 (Pedhazur, 1982). The linear combination of brand predictors’ i.e. product attribute, Brand image, After sales service, Price factor, and External Factors of the variance explains 54.1% of variance in consumers purchase decision of locally assembled lifan

automobiles and the remaining 45.9 % is explained by extraneous variables, which have not been included in this regression model.

Adjusted R Square (R^2) – The adjusted R^2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R^2 . That means it adjusts the value of R^2 to more accurately represent the population under study (Pedhazur, 1982). The difference for the final model is small (in fact the difference between R^2 and Adjusted R^2 is $(.0541-0.535 = 0.006)$ which is about 0.06%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.06% less variance in the outcome.

Durbin-Watson - the Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. As the conservative rules suggested that, values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desirable result is when the value is closer to 2, and for this data the value is 1.792, which is so close to 2 that the assumption has almost met.

Table 25: ANOVA of buyers' purchase decision

ANOVA ^a					
Model	Sum of squares	df	Mean square	F	Sig.
Regression	104.632	5	20.926	81.873	.000 ^b
Residual	88.692	347	.256		
Total	193.324	352			
a. Dependent Variable: PURCHASING DECISION					
b. Predictors: (Constant), EXTERNALFACTOR, PRODUCTATTRIBUTE, AFTERSALES, BRANDIMAGE, PRICEFACTOR					

Source: Own Survey Result, 2018

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). The above ANOVA table shows the acceptability of the model. The p-value is less < 0.05 i.e. 0.001 which indicates the variation is explained by the model is not due to chance. As table 4.26 advocate the researcher can connote that R, R^2 , and Adjusted R^2 conducted for the multiple regression predict the buyers' purchase decision based on the linear combination of independent variables of product attribute, Brand image, After sales service, Price factor and External Factors are statistically significant

F - Ratio

F-ratio determines whether the model is a good fit for the data. The F-ratio is calculated by dividing the average improvement in prediction by the model (MSM) by the average difference between the model and the observed data (MSR). If the improvement due to fitting the regression model is much greater than the inaccuracy within the model then the value of F will be greater than 1 and SPSS calculates the exact probability of obtaining the value of F by chance (Pedhazur, 1982). The F-ratio for the above model is 81.873, which is very unlikely to have happened by chance.

The regression coefficient

This study intends to identify the importance of independent variables in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 26: Coefficients

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.321	.160		2.003	.046	.006	.636
PRODUCT ATTRIBUTE	.177	.044	.173	4.043	.000	.091	.263
BRANDIMAGE	.274	.039	.302	7.026	.000	.197	.351
AFTERSALES	.102	.038	.115	2.705	.007	.028	.177
PRICEFACTOR	.200	.041	.211	4.858	.000	.119	.281
EXTERNAL FACTOR	.199	.038	.232	5.185	.000	.123	.274

a. Dependent Variable: Purchase_Decision

Source: Own Survey Result, 2018

The marked column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column “beta” are the values for the regression coefficients for product attribute, Brand image, After sales service, Price factor and External Factors. In the multiple regression, this standardized regression coefficient Bate (β) is useful, because it allows you to compare the relative strength of each independent variable's relationship with the dependent variable (Pedhazur,1982).The above coefficient table shows the constant beta value (β) and p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: .001, .001 .007, 0.001 and0.001. The standardized coefficients of product attribute, Brand image, After sales service, Price factor and External Factors are 0.173, 0.302, 0.115, 0.211and 0.232 respectively. The p-value of all the independent variables is below 0.05 which implies all have a significant relationship with the dependent variable (buyers’ purchase decision).

Based on these results, the regression equation that predicts customers purchase decision based on the linear combination of Product attribute, Brand image, after sales service, Price factor and External Factors is as follows:

The multiple regression equation of overall study

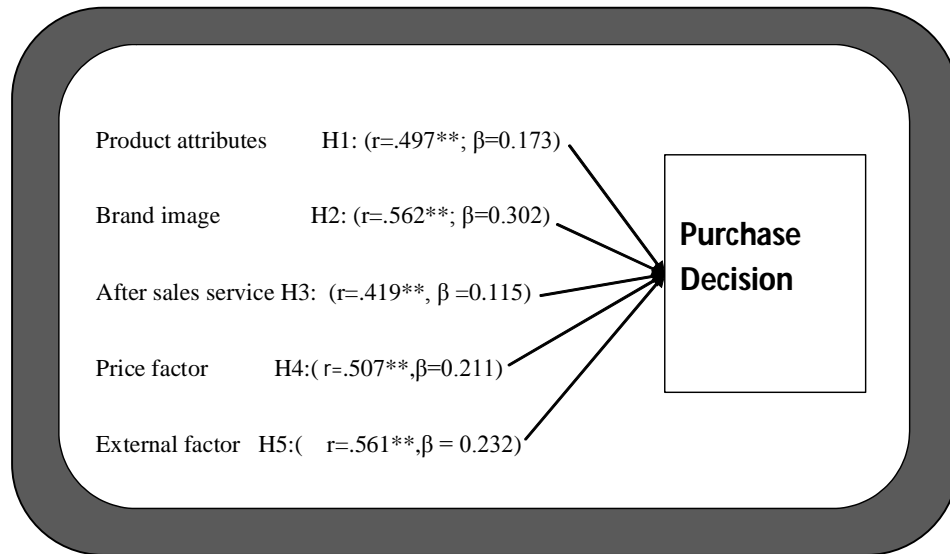


Figure 6. The multiple regression equation of overall study

4.8 Hypothesis test:

H1: There is positive and significant relationship between Product attribute and the buyers' purchasing decision of locally assembled Lifan automobile.

This result indicates, first, the intercept is 0.321, when all independent variables have value of zero. Then, moving through the equation, holding Brand image, After sales service, Price factor, External Factors as constant, the product attribute increase the buyers' chance of buying locally assembled lifan automobile purchase decision by 17.3 % for each additional product attribute quality level increment, if other factors remains constant. The p-value for this coefficient is statistically significant ($p < .05$) meaning that product attribute was a significant predictor of buyers' purchase decision. Accordingly, the first hypothesis which states that there is positive and significant relationship between Product attribute and the buyers' purchasing decision of locally assembled Lifan automobile is supported by the data collected on this survey at ($p\text{-value} = 0.001$; $\beta = 0.173$) hence, the Null hypothesis was rejected.

H2: There is positive and significant relationship between brand image and the buyers' purchasing decision of locally assembled Lifan automobile.

The second hypothesis which states that there is positive and significant relationship between brand image and the buyers' purchasing decision of locally assembled Lifan automobiles was also supported because the P-value of brand image is significant at ($P < 0.05$; $\beta = 0.302$) it implies, that brand image increases the buyers' chance of buying locally assembled lifan automobile by 30.2% for each additional brand image level increment (improvement) if other factors remains constant. . Hence, the brand image has a significant relationship with buyers' purchase decision, thus based on this the null hypothesis was rejected.

H3: There is positive and significant relationship between after sales service and the buyers' purchasing decision of locally assembled Lifan automobile.

The third hypothesis which states, there is positive and significant relationship between after sales service and the buyers' purchasing decision of locally assembled Lifan automobiles was also supported the data survey because the P-value is 0.007 which is ($P < 0.05$; $\beta = 0.115$), we can infer that after sales service increases the buyers' chance of buying locally assembled lifan automobile by 11.5% for each additional after sales service level increment, if other factors remains constant. Hence, after sales service has a positive & significant relationship with the buyers' purchase decision of locally assembled Lifan automobile; thus, the bases on the result the null hypothesis were rejected.

H4: There is positive and significant relationship between price and the buyers' purchasing decision of locally assembled Lifan automobile.

The fourth, hypothesis which states that there is positive and significant relationship between price and the buyers purchase decision of locally assembled Lifan automobiles was also supported, because the P-value of price factor is significant at ($P < 0.05$; $\beta = 0.211$) it implies the chance of buying locally assembled lifan automobile vary by 21.1% for each unit change in price level, if other factors remain constant .Hence the price factor has a significant relationship with the buyers purchase decision .based on the result, the null hypothesis was rejected.

H5: There is positive and significant relationship between external factors and the buyers' purchasing decision of locally assembled Lifan automobile.

Finally, the regression coefficient result indicates that External factor has a significant effect on buyers' purchase decision at ($P < 0.05$; $\beta = 0.232$). It implies that external influence increases the buyers' chance of buying locally assembled lifan automobile by 23.2% for each change in external influence level. Therefore, the last hypothesis, which states there is positive and significant relationship between External factors and the buyers' purchase decision of locally assembled Lifan automobile is also supported by the regression result and based on this, the null hypothesis was rejected.

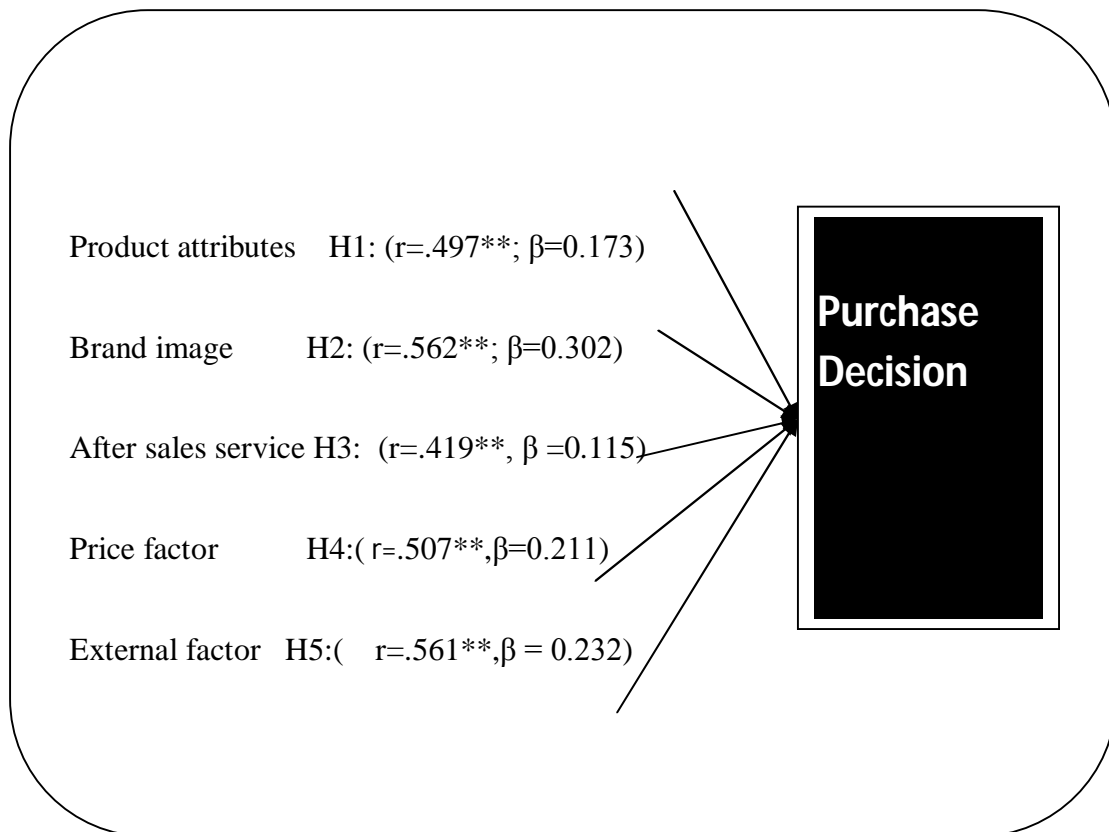


Figure 7. Summary of Correlation & regression Analysis

4.9 Discussions of the result

This study was aimed to examine the effect of product attribute, brand image, after sales service, price factor and external factor on purchase decision making of locally assembled Lifan automobile. Thus, this section discuss the main findings of the research and makes comparison with findings of related previous researches.

The research finding shows that there is statistically significant and positive relationship between product attribute and the purchase decision making for buying Lifan automobile. Previous studies regarding to product attribute also support the significance of product attribute it on purchase decision. Mahzabin(2016) "Consumer preferences and policy implications for the green car market", the study found that consumer preferences were sensitive to changes in fuel efficiency and emission levels. However, engine power was the most important attribute for existing. Attributes such as reliability, safety, as well as associated feelings, may be evaluated by consumer when purchasing a tangible product e.g. a car.

According to the test result of this study, the hypothesis brand image has a positive & significance effect on purchase decision making has supported by the data collected. This finding supported by previous studies Malik et al. (2013) found that favorable brand image has a strong positive influence on the customers' decisions making in car choices. It has been proven that a product associated with a negative brand image, will adversely affected purchase decision because it will be informed by the consumer that it is not of good quality and will be evaluated unfavorably.

The data collected supports the hypothesis which states, there is positive and significant relationship between after sales service and purchase decision making of Lifan motors' automobile. Previous research on after sales service is also support this finding, Rigopoulos et al. (2008) examined the consequences of after sales service and found that it has significant and positive impact on the satisfaction which in turn positive impact on buyers buying behavior.

The finding of this study also shows that there is significant and positive relationship between price factor and purchase decision making of Lifan automobile. This means the price has a significant influence on Lifan motors automobile. Previous research (Lee and Body, 2010) also found prices as a strong predictor of consumer purchasing decisions.(Mirabi,2015) also

investigated consumer satisfaction is also strongly influenced by direct price perception and price equity indirectly.

According to result of this study, there is positive & significant relationship between external factor and on purchase decision making of locally assembled lifan automobiles. It implies that the influence of family, friends, and colleagues on the purchase decision of lifan automobile is significant. Many researchers have found out that the social influences (external factor) play a vital role when the consumers are making decision on purchasing (Mourali and Pons, 2005). People tend to be easier influences by the words of others (Kelman, 2011). In a survey of teens (age 8-12), both boys and girls reported that they always seek for the advice or opinions of their friends based on fashion-related items and tend to purchase the similar clothes that their friends wear (Nelson and McLeod, 2005). This showed that people will influence by their friends when they are making decision on buying any product.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION INTRODUCTION

In this chapter of the study, summary of findings, conclusion and recommendations are stated. The purpose of this study was aimed to examine the effect of product attribute, Brand image, after sales service, Price factor and External Factors on consumers purchase decision making locally assembled lifan automobiles.

5.1 Summaries of major findings

The study has investigated about the effect of independent variables (product attribute, brand image, after sales service, price factor and external factors) on purchase decision making of Lifan automobile. Based on this, the overall findings of the research summarized as follows:-

Descriptive analysis result of demographic profile of respondents showed that most of the respondent's gender was male which constitute (68.8%), besides 78.2% of respondent's age was between 21 and 40. With respect to marital status 60% married, 36.3% single the rest widowed or divorced. On the other hand, 70.1% of income level of respondents above birr 10,000 .00.

The average descriptive statistics of all independent variables (product attribute ,brand image, after sales service, price factor, external factors and customer purchase decision (dependent variable) has shown that a mean value of (3.25), (3.37), (3.26),(3.07) (3.26) (3.42) respectively .

The correlation matrix indicates that the five independent variables (product attribute ,brand image, after sales service, price factor and external factors) were positively and moderately as well as strongly correlated with consumer purchase decision by scoring a Pearson Correlation Coefficient "R-value" of 497**; 562**;419**, 507**,561** respectively with 95% confidence interval & at ($p < 0.05$) 2tailed, . The highest strong coefficient of correlation in this research was between brand image variables and consumer purchase decision which was 0.562**. In this case

relatively brand image had a higher and strong relationship with consumer purchase decision ($r = 0.562$, $p \leq 0.01$) than the other four independent variables.

The last major finding of the regression analysis result was the five independent variables (product attribute, brand image, after sales service, price factor and external factors) contribute to variation the dependent variable (purchase decision) all are statistically significant level at ($p < 0.05$). The score of (R^2) is 0.541 which indicate, 54.1% of the variation of overall consumer purchase decision was explained by the five independent variables of the study. The other variables that were not considered in this study contribute about 45.9% of the variability of customer purchase decision making. Accordingly, the study model fit regression equation of $Y = 0.321 + 0.173X_1 + 0.302X_2 + 0.115X_3 + 0.221X_4 + 0.232X_5 + e$, at p-Value less than ($P < 0.05$) Thus, the researcher can reject the entire null hypotheses and accept all alternate hypotheses of the study.

Based on this, the Beta weight score indicated that the influence of brand image was highest among the other independent variables. The second important variable was external factors with ($\beta = 0.232$,) at ($p < 0.05$), the third was Price factor ($\beta = 0.211$), at ($p < 0.05$), the fourth and the fifth were product attribute and after sales service with a moderate influence of ($\beta = 0.173$) and ($\beta = 0.115$) at ($p < 0.05$) respectively.

5.2 Conclusions

The main purpose of this study was to investigate the effect of independent variables; product attribute, brand image, after sales service, price & external factor on the buyers' purchase decision making of locally assembled Lifan automobile. Accordingly the following conclusions were drawn:

The research finding shows that product attribute influence the purchase decision of locally assembled lifan automobiles. Product attribute explains 17.3 % variation of purchase decision making of locally assembled lifan automobiles, if other factors remain constant. Previous studies also support the influence of product attribute on the purchase decision. Mahzabin (2016) "Consumer preferences and policy implications for the green car market", the study found that consumer preferences were sensitive to changes in fuel efficiency and emission levels. However, engine power was the most important attribute for existing. Attributes such as reliability, safety,

as well as associated feelings, may be evaluated by consumer when purchasing a tangible product e.g. a car.

Brand image has a positive & significant effect on the purchasing decision making of lifan automobiles supported by the data collected. If other factors remain constant, 30.2% of variation of purchase decision making towards lifan automobile is explained by brand image. This finding supported by previous studies(Malik et al. 2013) found that favorable brand image has a strong positive influence on the customers' decisions making in car choices. It has been proven that a product associated with a negative brand image, will adversely affected purchase decision because it will be informed by the consumer that it is not of good quality and will be evaluated unfavorably.

From the research finding, it is concluded that after sales service has significant influence on the purchase decision making of lifan automobile. 11.5% of the variation of purchase decision making explained by after sales service, if other factors remain constant. Previous research on after sales service is also support this finding, (Rigopoulos et al.,2008) examined the consequences of after sales service and found that it has significant and positive impact on the satisfaction which in turn positive impact on buyers buying behavior.

On the bases of the research finding, it is concluded that price factor has significant influence on the purchase decision of locally assembled lifan automobile. Price factor explains 21.1% of the variation on the purchase decision on making of lifan automobile, if other factors remain constant. Previous research (Lee and Body, 2010) also found prices as a strong predictor of consumer purchasing decisions.(Mirabi ,2015) also investigated consumer satisfaction is also strongly influenced by direct price perception and price equity indirectly.

According to the research finding, external factors have significant influence on the purchase making decision of locally assembled lifan automobile. If other factors remain constant 23.2% variation on purchase decision towards locally assembled lifan automobile is explained by external factors. Many researchers have found out that the external factor (social influences) play a vital role when the consumers are making decision on purchasing (Mourali and Pons, 2005). People tend to be easier influences by the words of others (Kelman, 2011). In a survey of teens (age 8-12), both boys and girls reported that they always seek for the advice or opinions of their

friends based on fashion-related items and tend to purchase the similar clothes that their friends wear (Nelson and McLeod, 2005). This showed that people will be influenced by their friends when they are making a decision on buying any product.

5.3 Recommendations

Based on the findings of the study and the conclusion drawn the following recommendations are forwarded:

- As it is revealed on the study, brand image has the strongest influence on the buyers' purchase decision making among the four influences of purchase decision of locally assembled Lifan automobile. People often purchase well-known brand cars since they are aware of the brand performance or perhaps they have a good past experience about the brand's car. Marketers or brand management department of the company need to put emphasis on brand image building during designing and implementation of marketing strategy, considering the fact that brand image is the most important factor that leads to competitive advantage. Therefore, I would recommend manufacturers and dealers incorporate marketing programs to create strong, unique and favorable associations.
- It is found that external factors (social factor) was the second most relevant factor in influencing the purchase decision. Therefore, I recommend marketers of the company to exert efforts in order to create positive word of mouth towards locally assembled Lifan automobiles by employing different promotional tools.
- According to the result of the study, price factors (price of car, price of spare parts, cost of maintenance) was the third important influence on the purchase decision of Lifan automobile. Thus, the company is recommended to design an attractive pricing strategy like promotional sale, discounts, in order to penetrate the market and increase its market share.
- The findings of the study indicate that product attribute was the fourth important factor influencing purchase decision of locally assembled Lifan automobile, buyers value attributes because they are used as the basis for evaluating a product in relation to the benefits they seek when purchasing the automobile. They also use attributes to make comparisons between competitive brands. Therefore, company is recommended to continuously improve product

attributes to differentiate between its product and that of the competitors and also develop a positioning strategy based on unique and relevant attributes.

•As it is revealed on the study, the fifth important factor influencing buyers' purchase decision of lifan automobile was after sales service. Therefore, after sales service does have impact on customer satisfaction, which in turn affect repurchases decision. Based on this the company recommended to excel it's after sales service quality continuously as to get competitive advantage and retain its customers.

5.4 Limitations and direction for future research

The primary limitation for the study was the sampling technique "Convenience sampling" was used. So from the statistical point of view the result of the study may not be generalizable to the total population. So future researchers with more time and resources may employ one of probability sampling so that each member of the population will have an equal probability of being selected and the result may also to be generalizable.

Second, targeting only lifan customers could not adequately represent population of assembled car users in Ethiopia. Therefore, it necessitate for conducting of further research by incorporating other assembler in the industry and user in the country.

Third, as indicated in R^2 of the model summary, the result of this research explains only 54.1% of the variation of the Consumers' purchase decision making towards Lifan Motors automobile, the rest 45.9% of variation were attributed to other factors which were not investigated in this research. Thus, further research need to be conducted on the other factors which may have significant influence Consumers' purchase decision making towards Lifan automobile.

Fourth, there was no organized and comprehensive published study conducted on consumers' buying decision of locally assembled automobile. This made finding measurement instrument very difficult. Due to this fact, the researcher forced to adopt from other studies conducted in other countries which have different social & economic environment facts.

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www.investethiopia.gov.et and

www.ethpress.gov.et

www.lifanmotors.com

Appendix

Survey Questionnaire

Dear Respondents,

This questionnaire is prepared to gather information about the **Factors affecting Consumers' purchasing decision of locally assembled automobiles in Addis Ababa: The case of Lifan Motors automobile**. All responses will be used to conduct a study for the partial fulfillment of Masters Degree in Marketing Management in Addis Ababa University - School of Commerce. As your name is not asked here, your Anonymity/ secrecy will be strictly maintained and the information obtained will not be used for any other purposes. Besides, this survey would probably take 10-15 minutes of your time.

I am grateful and would like to give heartfelt thanks for your kind cooperation in advance!

N.B Please put a „√“ mark to all your responses in the space provided beside to each Question.

Part I: Demographic information

- I. Gender Male Female
- II. Age Group 20-30 31-40 41-50 51-60 61+
- III. Marital Status Married Unmarried Divorced widowed

IV. Your monthly Income

- Up to 3000 3001 – 10000
- 10,001-20,000 20001-30000 >30000

V. 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

Please kindly indicate (tick) based on the level of your agreement on the importance of following factors in purchasing lifan motors automobiles.

SN	Factors	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
	Product Attribute	1	2	3	4	5
PR1	I prefer to buy locally assembled Lifan automobile because of its efficient fuel consumption.					
PR 2	I prefer to buy locally assembled Lifan automobile because of its engine power.					
PR 3	I prefer to buy locally assembled Lifan automobile because of its durability					
PR 4	I prefer to buy locally assembled Lifan automobile because of its Safety and Reliability.					
PR 5	I prefer to buy locally assembled Lifan automobile because of its comfort.					
PR 6	I Prefer to buy locally assembled Lifan automobile because of its attractive interior and exterior design					
	Brand Image					
BI 1	Locally assembled Lifan Motor's automobile Comes to my mind at first whenever automobile mentioned.					
BI 2	Lifan Motor's automobile brand image is outstanding and gives me a good impression					
BI 3	Locally assembled Lifan automobile brand can build recognition.					
BI 4	While buying Lifan automobile brand popularity is important to me.					
BI 5	I am willing to purchase automobile from well-known utomobile company like lifan motors.					
SN	Factors	Strongly disagree	Disagree	undecided	Agree	Strongly agree
	After sales service	1	2	3	4	5
ASS1	I prefer to buy Lifan automobile, because of its best maintenance service					
ASS 2	I prefer to buy Lifan automobile, because of					

	easily availability of workshops(service center)					
ASS 3	I prefer to buy Lifan automobile, because of its warranty.					
ASS 4	I prefer to buy Lifan automobile, because of its easy spare part availability.					
	Price Factor					
PF1	I prefer to buy locally assembled Lifan automobile, since its price is relatively low.					
PF2	I prefer to buy locally assembled Lifan automobile, since its resale value is attractive.					
PF3	I prefer to buy locally assembled Lifan automobile, since its spare part price is relatively low.					
PF4	I prefer to buy locally assembled Lifan automobile , since it's maintenance cost is relatively low					
	External Factors					
EF1	I would buy locally assembled Lifan automobile, if it is recommended by family and friends.					
EF2	I would buy locally assembled Lifan automobile, if my family and friends buy/use it.					
EF3	I would buy locally assembled Lifan automobile, if there is credit facility to buy the car					
	Purchasing Decision					
PD1	My decision to buy locally assembled Lifan automobile is determined by its attribute quality.					
PD2	My decision to buy locally assembled Lifan automobile is determined by its brand image.					
PD3	My decision to buy locally assembled Lifan automobile is determined by its after sales service image.					
PD4	My decision to buy locally assembled Lifan automobile is determined by its price factors.					
PD5	My decision to buy locally assembled Lifan automobile is determined by external factors					

Source: Adapted from Nareth et al. (2012) and Ayaz et al. (2016)

Appendix

የጥናት መጠይቅ

የተከበራችሁ የጥናቱ ተሳታፊዎች !!!

ይህ መጠይቅ የተዘጋጀው በሀገር ውስጥ የሚገጣጠሙ የሊፋን ሞተር የቤት መኪኖችን የመግዛት ውሳኔ ላይ ተፅእኖ የሚያሳድሩ ምክንያቶች በአዲስ አበባ በሚል ረዕስ ለሚደረግ ጥናት መረጃ ለመሰብሰብ ነው። በዚህ መጠይቅ የሚሰበሰቡ ማንኛውም መረጃ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት በገበያ አስተዳደር የማስተርስ ዲግሪ መመሪያ ፅሁፍ ለማዘጋጀት የሚጠቅም ነው። በመሆኑም እርሶ የሚሰጡትን ሀሳብ ከዚህ ለዘለለ ዓላማ ጥቅም ላይ እንደማይውል እና ሚስጥሩም የተጠበቀ መሆኑን እየገለፅኩ ጥያቄዎቹን ለመመለስ ከ 10 እስከ 15 ደቂቃ ብቻ እንደሚወሰድ ላሳውቆት እወዳለሁ። ለጥናቱ መሳካት ለሚያደርጉት ትብብር በቀድሞ አመሰግናለሁ።

ማሳሰቢያ: እባክዎን ጥያቄውን በተሰጠው ክፍት ቦታ ላይ የ,√" ምልክት በማስቀመጥ ይመልሱ

ክፍል 1

ሰ ስያ ወንድ ሴት

ሰ እድሜ 20-30 31-40 41-50 51-60 61+

ሰ የጋብቻ ሁኔታ ያላገባ ያገባ የተለያዩ ባለቤቷ/ቱ የሞተበት

ፀ ወርሃዊ ገቢ (ብር) እስከ 3000 ከ 3001-10000 ከ 10001-20000 20001-30000
ከ30000 በላይ

ሰ የትምህርት ሁኔታ አልተማርኩም እስከሁለተኛ ደረጃ ዲፕሎማ ዲግሪ ድህረ ምረቃ ሌላ

ፀ ስራ የሌለው የግል ስራ የመንግሥት ድርጅት ለትርፍ ያልተቋመ የግል ኩባንያ

ክፍል 1 እባክዎን በሰንጠረዥ ውስጥ ለተቀመጡት ጥያቄዎች ምን ያህል እንደሚሰማሙ በተሰጠው ክፍት ቦታ ላይ „√“ ምልክት በማስቀመጥ ይመልሱ

ተ.ቁ	ጥያቄዎች	አጀግ በጣም አልሰማም	አልሰማም	አልወሰንኩም	አሰማለሁ	አጀግ በጣም አሰማለሁ
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የመኪና የተለያዩ የአገልግሎት መሳሪያዎች ጥራት

PR1	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ነዳጅ ቆጣቢ መኪና ስለሆነ ነው።					
PR2	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት የሞተር ጉልበቱ ጠንካራ ስለሆነ ነው።					
PR3	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ለረጅም ጊዜ አገልግሎት ስለሚሰጥ ነው።					
PR4	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት መኪናው ባለው ደህንነትና አስተማማኝነት ነው።					
PR5	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ምችት ስላለው ነው።					
PR6	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ባለው ውስታዊ እና ውጫዊ ማራኪ ውበታቸው ነው።					

ብራንድ(የድርጅት ገፅታ)

BI1	ምንግዜም ስለመኪና ሲታወስ ወደ በመጀመሪያ አህምሮዬ የሚመጣው ሊፋን መኪና (ሊፋን ብራንድ) ነው።					
BI2	የሊፋን ሞተር ካምፓኒ ስም(ገፅታ) ምርጥ እና ጥሩ ስሜት የሚሰጥ ነው					
BI3	የሊፋን መኪናን ብራንድ መጠቀም በህብረተሰቡ ዘንድ ተቀባይነትን እንዲኖረን ይረድናል።					
BI4	የሊፋን መኪና ለመግዛት የድርጅቱ ታዋቂነትና ተወጅነት ከግምት ውስጥ አስገባለው።					
BI5	እንደ ሊፋን ሞተር ስም ባለዝና ከሆነ ድርጅት መኪና ለመግዛት ፍቃዴ ነው። አገልግሎት ነው።					

የድህረ ሽያጭ አገልግሎት

ASS1	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጠው ድርጅቱ በሚሰጠው ምርጥ የጥገና አገልግሎት።					
ASS2	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጠው የድርጅቱ አገልግሎት መስጫዎች (ወርክ ሾፕ) በቀላሉ ማግኘት ስለምችል ነው።					

ASS3	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ድርጅቱ ለሚሸጠው መኪና ዋስትና ስለሚሰጥ ነው።					
ASS4	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጠው መለዋወጫ መሳሪያዎችን በቀላሉ ማግኘት ስለምችል ነው።					

ዋጋ

PF1	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት ዋጋቸው በአንፃራዊ ቅናሽ በመሆኑ ነው።					
PF2	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት መኪናውን ከተጠቀምኩበት በኋላ መልሼ ጥሩ ዋጋ መሸጥ ስለምችል ነው።					
PF3	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት የመኪናው መለዋወጫዎች በርካሽ መግዛት ስለምችል ነው።					
PF4	በሀገር ውስጥ የሚገጣጠም ሊፋን የቤት መኪና መግዛት የምመርጥበት ምክንያት የጥገና ወጪው ዝቅተኛ በመሆኑ ነው።					

ውጫዊ ተፅዕኖ

EF1	ቤተሰቦቼ እና ጓደኞቼ የሚሰጡኝን አስተያየት መነሻ በማድረግ ሊፋን የቤት መኪና ለመግዛት እወስናለሁ።					
EF2	ቤተሰቦቼ እና ጓደኞቼ ሊፋን የቤት መኪናን ገዝተው/ሲጠቀሙ ካየሁ እኔም እበረታታለሁ					
EF3	ብድር የማግኘት እድሉ ቢገኝ ሊፋን የቤት መኪናን ለመግዛት እወስናለሁ።					

የግዢ ወሳኔ

PD1	የሊፋን መኪናን ለመግዛት የምወስነው ወሳኔ በመኪናው የተለያዩ የአገልግሎት መሳሪያዎች የጥራት ሁኔታ የተመሰረተ ነው።					
PD2	የሊፋን መኪናን ለመግዛት የምወስነው ወሳኔ የብራንዱ ተቀባይነት ላይ የተመሰረተ ነው።					
PD3	የሊፋን መኪና ለመግዛት የምወስነው በድርጅቱ ድህረ ሽያጭ አገልግሎት የጥራት ሁኔታ ላይ የተመሰረተ ነው።					
PD4	የሊፋን መኪናን ለመግዛት የምወስነው ወሳኔ ከሊፋን መኪና ጋር የተያያዙ የተለያዩ ወጋዎች ላይ የተመሰረተ ነው።					
PD5	ውጫዊ የሆኑ ጉዳዮች ሊፋን መኪናን ይመግዛት ወሳኔ ላይ ተፅዕኖ ያሳድሩብኛል።					

ስለ ቀና ትብብር ከልብ አመሰግናለሁ!!!

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PRODUCTATTRIBUTE	353	1.17	6.83	3.2535	.72213
BRANDIMAGE	353	1.00	6.20	3.3728	.81600
AFTERSALES	353	1.00	7.75	3.2620	.83302
PRICEFACTOR	353	1.00	5.00	3.0701	.78122
EXTERNALFACTOR	353	1.00	4.67	3.2606	.86643
PURCHASINDECION	353	1.00	5.00	3.4181	.74109
Valid N (listwise)	353				

Reliability Statistics

Cronbach's Alpha	N of Items
.806	6

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.846
	Approx. Chi-Square	856.156
Bartlett's Test of Sphericity	df	15
	Sig.	.000

Component Matrix^a

	Component
	1
I prefer to buy locally assembled lifan automobile because it's efficient fuel consumption	.772
I prefer to buy locally assembled Lifan automobile because of its engine power	.802
I prefer to buy locally assembled Lifan automobile because of its durability	.480
I prefer to buy locally assembled Lifan automobile because of its Safety and Reliability.	.841
I prefer to buy locally assembled Lifan automobile because of its comfort.	.852
I Prefer to buy locally assembled Lifan automobile because of its attractive interior and exterior design	.697

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.785
	Approx. Chi-Square	564.835
Bartlett's Test of Sphericity	df	10
	Sig.	.000

Component Matrix^a

	Component
	1
Locally assembled lifan brand comes to my mind at first when everthinkof best value for my money.	.580
Lifan motors automobile brand image is outstanding and gives me agoodimrpession	.855
Locally assembled lifan automobile brand can built recognition .	.834
While buying lifan automobile motors brand popularity is important me	.649
I am willing to purchase automobile from well-known automobile company like lifan Motors	.773

Extraction Method: Principal Component Analysis.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
	Approx. Chi-Square	570.037
Bartlett's Test of Sphericity	df	6
	Sig.	.000

Component Matrix^a

	Component
	1
I prefer to buy locally assembled lifanautomobile because its best maintenance Service	.867
I prefer to buy locally assembled lifanautomobile because easily availability of its workshops	.908
I prefer to buy locally assembled lifanautomobile because of its warranty .	.806
I prefer to buy locally assembled lifanautomobile because of easily availability of its spare parts	.564

Extraction Method: Principal Component Analysis.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.676
	Approx. Chi-Square	351.454
Bartlett's Test of Sphericity	df	6
	Sig.	.000

Component Matrix^a

	Component
	1
I prefer to buy locally assembled lifanautomobile since its price is relatively low	.699
I prefer to buy locally assembled lifanautomobile because its resale value is attractive	.434
I prefer to buy locally assembled lifanautomobile because its spare part price is relatively low	.881
I prefer to buy locally assembled lifanautomobile because its maintenance cost is relatively low.	.851

Extraction Method: Principal Component Analysis.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.702
	Approx. Chi-Square	360.174
Bartlett's Test of Sphericity	df	3
	Sig.	.000

Component Matrix^a

	Component
	1
I would buy Lifan automobile ,if recommended by family&friends	.854
I would buy Lifan automobile ,if my family &friends buy/use it	.880
I would buy Lifan automobile ,if there is credit facility to buy the automobile.	.821

Extraction Method: Principal Component
Analysis.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.766
	Approx. Chi-Square	534.341
Bartlett's Test of Sphericity	df	10
	Sig.	.000

Component Matrix^a

	Component
	1
My decision to buy Lifan automobile is determined by its attribute quality	.792
My decision to buy Lifan automobile is determined by its brand image	.684
My decision to buy Lifan automobile is determined by its price	.793
My decision to buy Lifan automobile is determined by after sales service	.800
My decision to buy Lifan automobile is determined by external factors	.632

Extraction Method: Principal Component Analysis.

Correlations

		PRODUCTA TTRIBUTE	BRANDI MAGE	AFTERSAL ES	PRICEFA CTOR	EXTERNALF ACTOR	PURCHASIN DECION
PRODUCTATTRIBUTE	Pearson Correlation	1	.460**	.287**	.309**	.374**	.497**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	353	353	353	353	353	353
BRANDIMAGE	Pearson Correlation	.460**	1	.213**	.289**	.411**	.562**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	353	353	353	353	353	353
AFTERSALES	Pearson Correlation	.287**	.213**	1	.449**	.412**	.419**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	353	353	353	353	353	353
PRICEFACTOR	Pearson Correlation	.309**	.289**	.449**	1	.445**	.507**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	353	353	353	353	353	353
EXTERNALFACTOR	Pearson Correlation	.374**	.411**	.412**	.445**	1	.562**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	353	353	353	353	353	353
PURCHASINDECION	Pearson Correlation	.497**	.562**	.419**	.507**	.562**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	353	353	353	353	353	353

** . Correlation is significant at the 0.01 level (2-tailed).

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.736 ^a	.541	.535	.50557	.541	81.873	5	347	.000	1.792

a. Predictors: (Constant), EXTERNALFACTOR, PRODUCTATTRIBUTE, AFTERSALES, BRANDIMAGE, PRICEFACTOR

b. Dependent Variable: PURCHASINDECION

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	104.632	5	20.926	81.873	.000 ^b
	Residual	88.692	347	.256		
	Total	193.324	352			

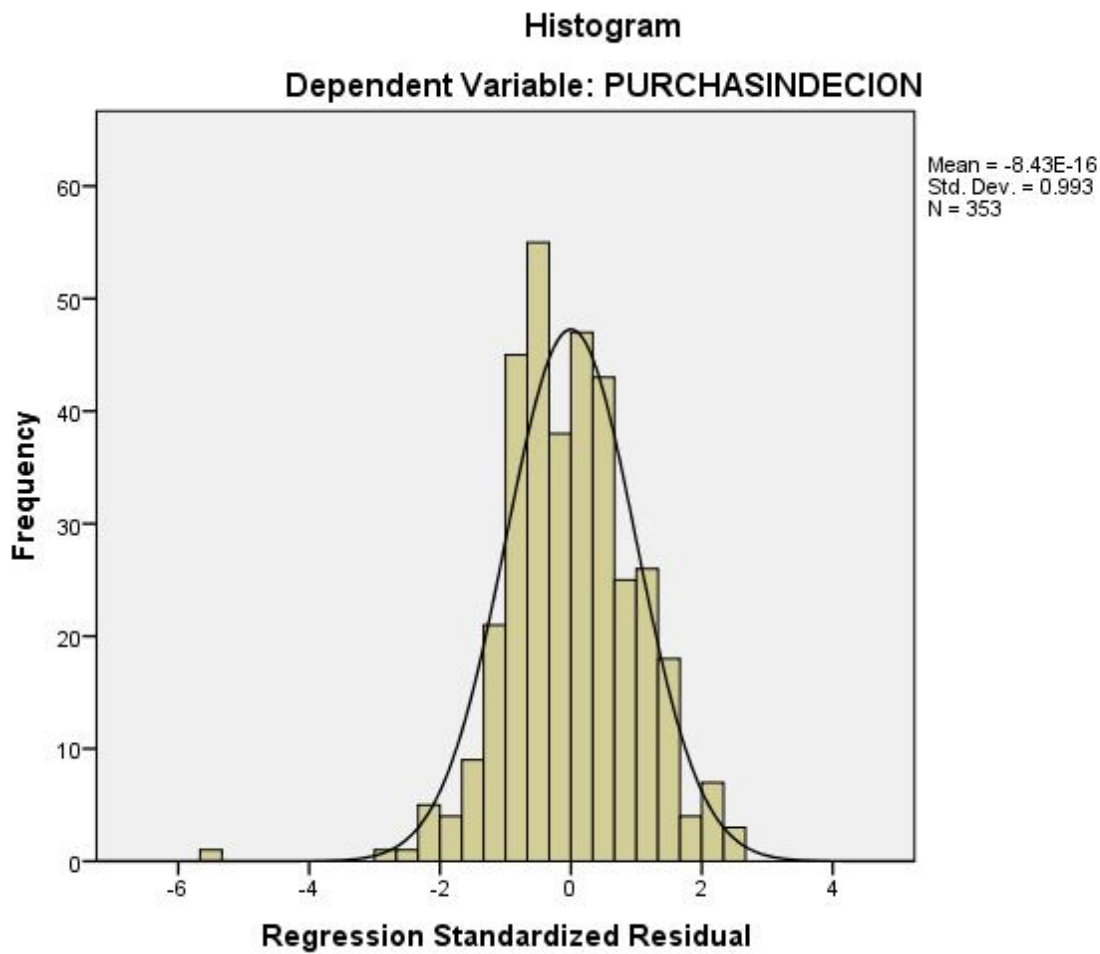
a. Dependent Variable: PURCHASINDECION

b. Predictors: (Constant), EXTERNALFACTOR, PRODUCTATTRIBUTE, AFTERSALES, BRANDIMAGE, PRICEFACTOR

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		Collinearity Statistics		
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	.321	.160		2.003	.046					
PRODUCT ATTRIBUT E	.177	.044	.173	4.043	.000	.497	.212	.147	.724	1.380
BRANDIMAGE	.274	.039	.302	7.026	.000	.562	.353	.255	.717	1.394
AFTERSALES	.102	.038	.115	2.705	.007	.419	.144	.098	.733	1.364
PRICEFACTOR	.200	.041	.211	4.858	.000	.507	.252	.177	.701	1.427
EXTERNAL FACTOR	.199	.038	.232	5.185	.000	.562	.268	.189	.658	1.519

a. Dependent Variable: PURCHASINDECION

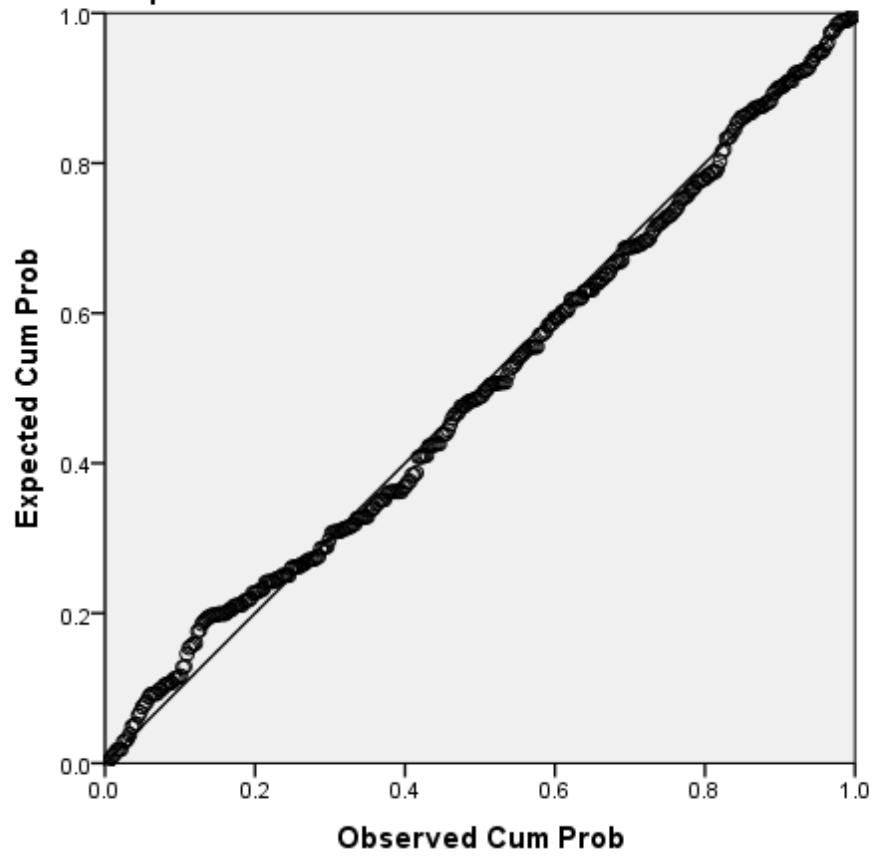


Descriptive Statistics

N	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
353	-.130	.130	1.390	.259
353	-.705	.130	.165	.259
353	.136	.130	1.261	.259
353	.212	.130	-.018	.259
353	-.875	.130	.133	.259
353	-.455	.130	.511	.259
353				

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: PURCHASINDECION



Scatterplot

Dependent Variable: PURCHASINDECION

