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Factors That Can Influence Buyer's Buying Decision of Locally Assembled Truck in Ethiopia: Case of Sinotruk

By: Nura Godana Arero

Advisor: Amare Abawa (PhD)

**A Thesis Submitted to Addis Ababa University, College of Business
and Economics in Partial Fulfillment for the Requirements of
Master's Program in Masters of Business Administration (MBA) in
Management**

June, 2023

Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

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STATEMENT OF CERTIFICATION

This is to certify that Nura Godana has carried out his research work on the topic entitled “Factors That Can Influence Buyer’s Buying Decision of Locally Assembled Truck in Ethiopia: Case of Sinotruk” is his original work and is suitable for submission for the award of master’s Degree in MBA.

Advisor: Amare Abawa (PhD)

June 2023

DECLARATION

I declare that this research entitled Factors That Can Influence Buyer's Buying Decision of Locally Assembled Truck in Ethiopia: Case of Sinotruk is my own work. It is submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration at Addis Ababa University, College of Business and economics, Department of Management. It has not been submitted before for any degree or examination in any other University. All source of material used for this thesis have been acknowledge.

Candidate's Name: Nura Godana

Signature & date

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ABSTRACT

It is very essential for companies in truck industry to have clear understanding of the factors that influence the purchase decision of locally assemble trucks. The main objective of this research is to investigate factors that can influence purchase decision towards locally assembled Sinotruk.

This research used Mixed methods research. Mixed methods research collects and combines quantitative and qualitative data into a single study, which may lead to a more thorough knowledge of the topic being studied. This research used independent variables (reference group, price factor, quality, aftersales service and perceived risk) and dependent variable which is purchase decision. To answer research question and to meet the objective of the research both quantitative and qualitative was used. Quantitative research was done first, and then to answer some of unexpected research findings in quantitative result, qualitative research was used. A total of 200 questionnaires were distributed for quantitative research, and only 170 were returned. From 170 only 154 were usable for statistical analysis. 10 interviews were done for qualitative analysis.

The research findings showed that reference group had positive and significant effect (with effect of $\beta=0.573$) on variation of dependent variable (purchase decision). Availability of after sales service had positive and significant effect on purchase decision (with effect of $\beta=0.253$). Quality attitude toward locally assembled Sinotruk affect purchase decision positively and significantly (with effect of $\beta=0.167$). while independent variables (price factor and perceived risk) had insignificant effect on purchase decision.

**Keywords: Reference Group, Price Factor, Quality, Aftersales Service and Perceived Risk
Purchase Decision**

ACRONYMS

ANOVA:	Analysis of variance
CBU	Complete built-up unit
CKD	Complete knock down
DMU	Decision Making Units
MMR	Mixed method research
SKD	Semi Knock down
SPSS	Statistical package for social science

TABLE OF CONTENTS

<i>APPROVED BY BOARD OF EXAMINERS</i>	<i>i</i>
<i>STATEMENT OF CERTIFICATION</i>	<i>ii</i>
<i>DECLARATION</i>	<i>iii</i>
<i>ACKNOWLEDGEMENT</i>	<i>iv</i>
<i>ABSTRACT</i>	<i>v</i>
<i>ACRONYMS</i>	<i>vi</i>
<i>TABLE OF CONTENTS</i>	<i>vii</i>
<i>LIST OF TABLES</i>	<i>x</i>
<i>LIST OF FIGURES</i>	<i>xi</i>
<i>CHAPTER ONE</i>	<i>1</i>
1. Introduction	1
1.1 Background of the study	1
1.1.1 Problem statement	4
1.2. Research question	6
1.3. The objective of the study	7
1.3.1. General objective of study	7
1.3.2. Specific objective of the study	7
1.5 Significance of the study	7
1.6 Scope of the study	8
1.7 Limitation of the study	8
1.6 Organization of research report	8
<i>CHAPTER TWO</i>	<i>10</i>
2. Introduction	10
2.1 Theoretical review	10
2.1.1 A model of organizational buying behavior	10
2.1.2 Theory of reasoned action	13
2.1.2 Engel Kollat Blackwell model	13
2.1.3 Howard Sheth Model of Consumer Behavior	15
2.1.4. Types of buying decision behavior	16
2.1.5 Summary of theoretical literature review	17

2.2. Empirical review and Hypothesis of the study	18
2.2.1. Reference group	18
2.2.2. Price	18
2.2.3. Quality.....	19
2.2.4. After sale service.....	19
2.2.5. Perceived Risk	20
2.3. Conceptual frame work.....	20
<i>CHAPTER THREE.....</i>	<i>22</i>
3. Introduction.....	22
3.1. Research approach	22
3.2. Research design	23
3.3. Sampling Design.....	24
3.3.1 Population of the study	24
3.3.2 Sampling techniques	24
3.3.3 Sample size	25
3.4 Source of data collection.....	26
3.5 Research instrument.....	26
3.6 Method of data collection.	28
3.7 Data analysis method	28
3.8 Validity and Reliability.....	28
3.8.1 Validity	28
3.8.2 Reliability.....	29
3.9 Ethical consideration.....	29
<i>CHAPTER FOUR.....</i>	<i>30</i>
<i>DATA ANALYSIS AND INTERPRETATION.....</i>	<i>30</i>
4 Introduction.....	30
4.1 Demographic of respondents	30
4.2 Reliability test	33
4.3. Descriptive analysis of variables	34
4.4 Correlation Analysis	38
4.5 Classical linear regression model assumptions test.	40
4.5.2 Linearity assumption test	42
4.5.4 Heteroscedastic assumption test	45

4.5.5 Autocorrelation assumption test	45
4.5.6 Model summary	46
4.6 Regression Coefficients	47
4.7 Hypothesis Testing.....	48
4.8. Qualitative Interpretation of results	50
4.8.1 Topic discussed on interviews	51
4.8.2 Findings of overall qualitative results.....	52
4.9 Discussion of results	53
<i>CHAPTER FIVE</i>	56
Summary, conclusion and recommendation	56
5.1 Summary	56
5.3 Recommendation and future research suggestion.....	59
<i>REFERENCE</i>	61
Appendix 1 English Questionnaire	68
Appendix 2 Amharic Questionnaire	73
Appendix 3. Pearson Correlation Matrix	79
Appendix 4 Regression model result	80

LIST OF TABLES

Table 3. 1 Summary of Key Measurement Scale from previous study.	27
Table 4. 1 Demographic characteristics of respondents.	31
Table 4. 2 Cronbach’s alpha coefficients result and Interpretation.	33
Table 4. 3 The Overall Cronbach’s alpha coefficients	34
Table 4. 4 Descriptive statistics of reference group.....	35
Table 4. 5 Descriptive statistics of price factor.....	36
Table 4. 6 Descriptive statistics of quality	36
Table 4. 7 Descriptive statistics of aftersales service	37
Table 4. 8 Descriptive statistics of perceived risk	37
Table 4. 9 Descriptive statistics of buying behavior.....	38
Table 4. 10 Pearson Correlation matrix	39
Table 4. 11 Summary of correlation analysis	40
Table 4. 12 Test of Normality.....	41
Table 4. 13 Matrix of Pearson Correlation	44
Table 4. 14 Multicollinearity table.....	44
Table 4. 15 Durbin-Watson result.....	46
Table 4. 16 Model Summary	46
Table 4. 17 Model adequacy result.....	47
Table 4. 18 Coefficient of variables of regression analysis	47
Table 4. 19 Summary of hypothesis test result	50

LIST OF FIGURES

Figure 2. 1: A model of organizational buying behavior (Webster et al, 1972)	12
Figure 2. 2 Conceptual frame work of the study	21
Figure 4. 1 Histogram of regression standardized residual.....	42
Figure 4. 2 Normal P-P plot.....	43
Figure 4. 3 Scatter plot.....	45

CHAPTER ONE

1. Introduction

The First Chapter of this research includes background of the study, problem statement, research question, objective of the study, scope, and significance of the study. Major points of organizational buying behavior and overview of Ethiopian automotive industry will be discussed based on researcher's knowledge and different literature available. The existing gap in understanding buyer of locally assembled trucks in Ethiopia and the solution this research will bring is also discussed.

1.1 Background of the study

“Business buyer behavior is defined as organizations that buy goods and services for use in the production of other products and services that are sold, rented, or supplied to others” (Kotler, 2004). To understand organizational buying behavior, it is very essential to explore both organizational and individual decision making (Webster, 1965). According to Webster and Wind (1972), individual behavior is the milestone of all organizational buying behavior. Since what create group is collection of individual.

Organizational purchase decision is rationally influenced by political, Cultural, social, individual behavior and perception, just like consumer behavior is affected (Foxall, 1993). Most of concept in both organization and consumers buying behavior are the same, as the study of individual result in group behavior understanding.

Walters (1974) defines consumer behavior as "The process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services." Understanding

consumer behavior is critical to interacting with consumers and marketing success. Therefore, for one business to be successful, it is very important to understand its consumer behavior. Consumer purchasing behavior is distinguished from organizational purchasing behavior by the actions involved in acquiring and consuming goods and services for household and personal use purpose.

It is not possible to anticipate and react to customers' needs and desires without a complete understanding of consumer behavior. Discovering customers' needs is a complex process, but it can often be accomplished by marketing research.”(Hawkins & Mothersbaugh, 2010).

Marketers used to be able to have a good understanding of their customers by selling to them on a regular basis. However, as businesses and marketplaces have evolved, many marketing decision-makers have lost direct contact with their customers and the only way they can understand their customer is by doing customer research (Kotler et al., 2005).

Motives, attitudes, and expectancies are mediating variables that mediate between stimuli and reactions, and they are learned by previous experience (Katona, 2017). The final measure of whether a marketing plan will work is frequently the response of consumers. As a result, consumer information is incorporated into nearly every aspect of a successful marketing strategy. Consumers respond to diverse product features, pricing, and advertising appeal in different ways, and the firm that truly understands this has a significant edge over its competitors (Kotler et al., 2005).

Customer undergo complex buying behavior when the product is expensive, high perceived risk, purchased infrequently and highly self-expressive (Kotler et al., 2005). Thus, truck purchase is categorized under complex buying behavior. In complex buying behavior, buying decision has five process listed as follow: Need recognition, information search, evaluation of alternatives, purchase decision and post purchase evaluation.

Automotive industry is one of the most important drivers of economic growth in developing countries like Ethiopia. According to Sisay, et.al, (2021) automotive industries give developing countries an excellent economic advantage over the world's leading economies. The automotive manufacturing industry in Ethiopia is mostly dominated by truck and trailer body assembly work.

Legese (2018) mentioned that Ethiopia's automobile manufacturing industry comprises only a few companies that assemble sedan cars, buses, and trucks. Ethiopia is a developing country in Africa, that doesn't have any port after it got separated with Eritrea, recently it uses port of Djibouti (892Km driving distance via Semera), port of Sudan (1822Km driving distance), Kenya-port of Mombasa (1835Km driving distance) and Somalia-port of Berbera (921Km driving distance) from Addis Ababa for both import and export of goods mostly using trucks and trains. The imported goods are distributed though-out the country using different types of trucks. As well the exported goods which are mainly agriculture products are collected from different corners of the country to Addis Ababa using trucks and then to its respective port. Putting into consideration the above-mentioned points, it is very clear how essential is trucks availability for the economic growth of Ethiopia.

It is understandable that the truck is an important mode of transportation for a landlocked country. To satisfy, the demand for trucks, Ethiopian truck market has two options, either importing in form of complete built-up Units (CBU) or locally assembling trucks. The locally assembled truck has various advantages especially nowadays Ethiopia is phasing dollar shortage, so using of locally assembled truck reduce the amount of foreign currency needed. According to observation done by researcher, in Ethiopia, most buyers reject buying of locally assembled trucks at the information search stage as soon as they find out that the truck is locally assembled without even trying to take it as an alternative option. For such reason, this study is conducted to understand the buyers' buying

behavior of locally assembled trucks in Ethiopia. The result of the study can be used to improve the Automotive industry of the country and is helpful for local assembler to come up with best marketing strategy

1.1. Problem statement

The development of organizational buying behavior theory is back to date in 1950s and 1960s. Goncalves and Vaquer (2006) stated that organizational buying behavior theory is dominated by large manufacturing paradigm. Different variables influence people's buying intentions, and customer behavior is a complicated and dynamic phenomenon. Thus, organizational/industrial buying behavior needs continuous research to understand the very dynamic buying behavior in both consumer and organizational context to come up with the best marketing strategy.

Some of relevant research done by Mohammed (2020), Desta (2007), Yilma (2018) and Tesafa (2018) tries to study Automobile assembly and consumer behavior of locally assembled cars which doesn't cover trucks, which is an industrial product. In the best knowledge of researcher, there is no previous empirical research done on factors influencing buyers' buying behavior of locally assembled trucks in Ethiopia. From theoretical aspect the emphasis given to reference group (specially to brokers) is undermined. Almost all the market in Ethiopia, brokers play large role in buying behavior. This research tries to provide empirical evidence that may bridge the information gap that is available on customer buying behavior of locally assembled trucks in Ethiopia.

In Ethiopia, Sinotruk is assembled by NA Metal Industry & Engineering and Bishofitu Automotive Engineering Industries, likewise the same brand and model are being imported by different sub-dealers in form of Complete Build-Up Units (CBU). From observation done by researcher, customers who are on information search stage had bad impression towards locally assembled

trucks which are of the same brand, model and manufacturing year. All the features of truck being the same, most of truck buyers quit their information search stage as soon as they discover the truck they are visiting is locally assembled, in this occasion the buyer is not even ready to listen to what special offers is available.

Due to serious foreign currency shortage and problem with incentive policy structure towards vehicle assembly in Ethiopia, there is very limited number of vehicle assembled in market currently (Ohno, 2019). Thus, local assembler will be able to sell their limited number of product but with struggle. The unraveled factors that influencing the buying of Sinotruk is what suspected to discourage truck assembly in Ethiopia.

On project work that is trying to study Ethiopia's Automotive Industry which is been done by Ministry of industry in collaboration with Grips Development Forum (GDF) and Japanese International Cooperation Agency (JICA), are requesting the improvement of Automotive assembly policy by implementing incentive policy structure to make vehicles assembly lucrative business in Ethiopia((Ohno, 2022). The implementation of this policy will increase largely the number of production of assembly plants in Ethiopia (Ohno, 2022). Thus, knowing the customer behavior toward locally assembled truck will be of great opportunity and unavoidable compulsory action to be taken for any firm to be successful.

An increased practice of vehicle assembly in Ethiopia has four major advantage for the country. One, currently Ethiopia has very serious problem of foreign currency shortage, thus increasing the amount of locally assembled vehicle will decrease cost of importing. Two, job opportunity creation for many Ethiopians. Three, there will be technology transfer. Four, vehicle assembly is one step to elevate to vehicle manufacturing.

According to Ohno (2020) newly implemented policy that puts restriction on second hand vehicles use in Ethiopia and reduction of tax as an incentive for local assemblers, highly enlightens the future prospect of local assemblers. With fast economic growth and growing demand of commercial vehicles, it is very essential to study customer buying behavior on locally assembled trucks to capitalize all the available opportunity so that to provide valuable information to investors working or interested in automotive industry, particularly trucks assembly.

This research tries to investigate factors affecting/influencing customer buying behavior of locally assembled trucks in Ethiopia, specifically Sinotruk. And then tries to analyze relationship between independent variables (Reference group, price, quality, aftersales service and perceived risk.) and dependent variable (consumer buying behavior).

1.2. Research question

The researcher will try to address the following major question to understand consumer behavior on locally assembled trucks.

1. What is the impact of reference group on customers' buying behavior of locally assembled trucks?
2. What is the impact of price on customers' buying behavior of locally assembled trucks?
3. What is the impact of quality on customers' buying behavior of locally assembled trucks?
4. What is the impact of after-sales service on customers' buying behavior of locally assembled trucks?
5. What is the impact of perceived risk on customers' buying behavior of locally assembled trucks?

1.3. The objective of the study

1.3.1. General objective of study

The general objective of the study is to investigate factor that can influence customers' purchase decision towards locally assembled Sinotruk.

1.3.2. Specific objective of the study

1. To analyze how reference group affects customers' buying behavior of locally assembled trucks?
2. To analyze how price affects customers' buying behavior of locally assembled trucks?
3. To analyze how quality affects customers' ' buying behavior of locally assembled trucks?
4. To analyze how after-sales service affects customers' buying behavior of locally assembled trucks?
5. To analyze how perceived risk affects customers' buying behavior of locally assembled trucks?

1.5 Significance of the study

Deep Understanding of customer behaviors on locally assembled trucks has great contribution for both theoretical and practical implications in automotive sector.

From theoretical point of view, there is no empirical research done previously on customer behavior towards locally assembled trucks. Thus, this study tries to narrow the gap in the literature concerning customer behavior of locally assembled trucks.

For practical implication, this study will provide major insight to investors and different company that are directly or indirectly related to automotive industry. The insight will help them to come up with best marketing strategy and to have clear view of available opportunities.

1.6 Scope of the study

The research focused narrowly on factors influencing consumer buying behavior specifically locally assembled trucks.

This research study consumer behavior in purchasing locally assembled trucks in Addis Ababa and its' outskirt. The research focused on consumers that is available in Addis Ababa, consumer who buys from Addis Ababa and Bishofitu Automotive Engineering Industries. Other markets beside the one mentioned above is not included in this study.

1.7 Limitation of the study

This research is focused on investigating the effects of independent variables such as; references group, price factor, quality, aftersales service and perceived risk as a major determinant factor in purchasing locally assembled Sinotruk. In theoretical aspect customers' buying behavior is influenced by two major factors, one is external factors which is composed of; culture, sub-culture, demographics, social status, reference group, family, marketing activities. The second one is internal factors which is composed of; perception, learning, memory, motives, personality, emotion and attitude. Therefore, this research is limited to few expletory variables mention above.

1.6 Organization of research report

Chapter one: This Chapter of this research includes background of the study, problem statement, research question, objective of the study, scope, and significance of the study. Major points of customer buying behavior and overview of Ethiopian automotive industry will be discussed based on researcher's knowledge and different literature available. The existing gap in understanding

buyers of locally assembled trucks in Ethiopia and the solution this research will bring is also discussed.

Chapter two: This chapter tries to review different literature related with the topic of this research. The literature in this research is organized into three parts, that are: theoretical review, empirical review with Hypothesis development and finally conceptual frame work is developed. In theoretical review section, the researcher tries to discuss how purchase of product is initiated, the purchase process goes through different stage and arrive to purchase decision. When we come to empirical review, the researcher tries to study and discuss empirical finding of different researches to come up with hypothesis and on conceptual frame work section tries to show the relationship between dependent variable and independent variable

Chapter three: This chapter covers the research methodology used to investigate factors affecting customer behavior on locally assembled trucks in Ethiopia. In this section research design, sample design, source of data collection, research instrument, method of data collection and procedure of data collection will be discussed in details. At end, data analysis method that is going to be used in chapter four will be elaborated.

Chapter four: In this chapter research results and discussion are done. The data analysis and findings are interpreted in relevant way to literature review.

Chapter five: summary, conclusion and recommendation of the research is presented on this chapter

CHAPTER TWO

LITERATURE REVIEW

2. Introduction

This chapter tries to review different literature related with the topic of this research. The literature in this research is organized into three parts, that are: theoretical review, empirical review with Hypothesis development and finally conceptual frame work is developed. In theoretical review section, the researcher tries to discuss how purchase of product is initiated, the purchase process goes through different stage and arrive to purchase decision. When we come to empirical review, the researcher tries to study and discuss empirical finding of different researches to come up with hypothesis and conceptual frame work section contain the relationship between dependent variable and independent variable.

2.1 Theoretical review

2.1.1 A model of organizational buying behavior

The core tenet of this model is that individuals make decisions about organizational buying in relation to other people and within the framework of a formal organization (Webster et al, 1972). Organization is influenced by different forces in the environment. There are four major class of variables determining organizational buying behavior, these are: individuals, social, organizational and environmental (Webster et al, 1972).

Within each class there are two main categories, which is classified as those variables that directly related with the buying problem, called task variables and those that extend beyond buying problem are called non-task variables. A purchasing situation is generated when someone in the company recognizes a problem, a discrepancy between a desired outcome and the current state

that may be resolved via buying action. The organizational buying process is an instance of problem solving (Webster et al, 1972).

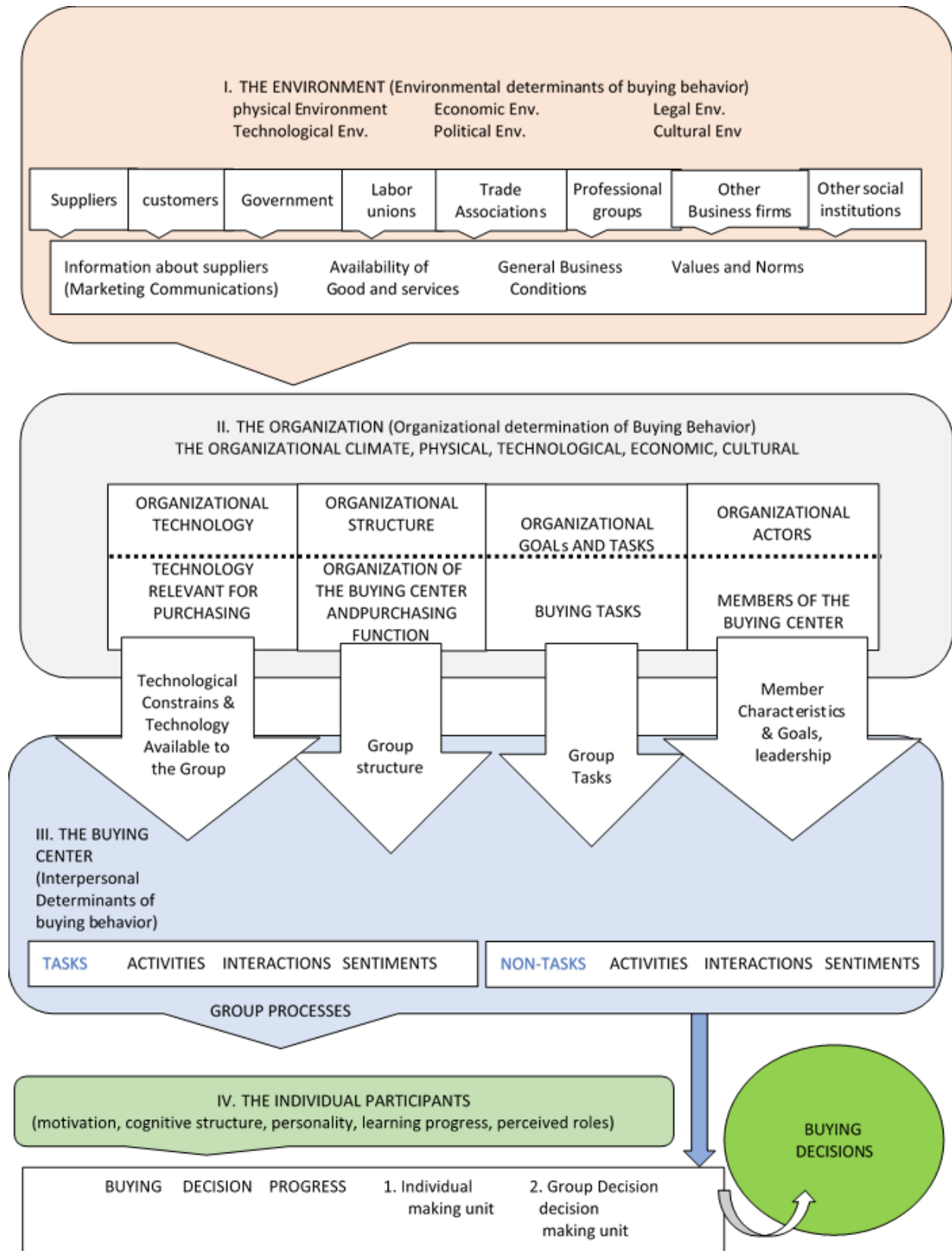
Organizations purchase in order to be able to offer products and services that eventually benefit end users. Consumer purchasing behavior refers to people (or families) purchasing products and services for their personal consumption. Organizational and consumer purchasing patterns includes individuals and groups of people who are impacted by both environmental and psychological variables.

'Decision making unit' (DMU) or the purchasing center, as Webster and Wind (1965) called it, is the term for the collective decision-making that often occurs in organizational buying. Individuals in this group play a variety of functions in the purchase process, which may be classified into:

1. **Initiators:** those who request or recommend acquiring a good or service;
2. **Users:** those who use the product within the company. They may occasionally participate in creating product specifications;
3. **Influencers:** Influencers can take a variety of forms, such as technical staff who have produced product requirements;
4. **Deciders:** Deciders make the purchasing choice (typically, the buyer);
5. **Buyers:** Buyers are legally permitted to make the goods purchase;
6. **Approvers:** those who consent to the decisions or purchases made by others;
7. **Gatekeepers:** A buyer's assistant or a telephonist are examples of gatekeepers who manage the information flow to and from DMU or buying center members.

As buying behavior towards Locally assembled Sintruk is organizational behavior. The model presented below is used to study this research, to understand theoretical aspect that are available to find out factors that can influence buying decision toward locally assembled Sinotruk.

Figure 2. 1: A model of organizational buying behavior (Webster et al, 1972)



2.1.2 Theory of reasoned action

Goodwin (2000) mentions that the individual's purpose to undertake a certain activity is a key aspect in the notion of planned behavior. Intentions are thought to capture the motivating variables that impact an action; they are indicators of how hard someone are willing to try, and how much work they intend to put in to complete the activity. According to Weinstein (2021) One of the basic premises of consumer behavior is that consumers buy items for what they mean rather than what they do. This notion does not indicate that a product's core purpose is irrelevant, but rather that products' functions and importance in our lives extend well beyond the activities they do. In general, the stronger the desire to participate in an action, the more likely should be its performance. However, it should be apparent that a behavioral purpose may only be expressed in conduct if the action is under voluntary control. The theory of planned behavior integrates the idea of self-efficacy belief or perceived behavioral control into a broader framework of the relationships between beliefs, attitudes, intentions, and behavior.

2.1.2 Engel Kollat Blackwell model

Burdon (1975) The Engel-Kollat-Blackwell model of consumer behavior is essentially a conscious problem-solving and learning model. Consumers' active information seeking and assessment processes are well described by this Model. This model depicts decision-making components as well as their relationships and interactions. "This model assumes that product choice and purchase decisions are a direct (and logical) consequence of the consumer's passage through the five stages of this process:" (Maison,2018).

1. **Problem recognition/Need recognition-** The customer will notice a distinction between his or her current condition and the ideal state. The customer will notice a distinction

between his or her current condition and the ideal state. “This can happen as a result of exogenous stressors.”

2. **Information search-** Initially, the information supplied to the customer may be congruent with his or her existing ideas and attitudes. The customer will attempt to obtain more information from numerous sources while in the information seeking or search stage. The individual is exposed to stimuli that may stimulate his or her interest, which are then received and stored or preserved in memory. This information delivery mechanism is selective in nature, and the customer will accept material that is conclusive to their perceptions.
3. **Evaluation of alternatives-** In this stage the individual will compare and contrast the various brands. The methods used to assess different items will be determined by the consumer's underlying objectives, reasons, and personality. In terms of the features connected with the various brands, the customer also has some predefined opinions about them.
4. **Choice-** The goal and attitude of the consumer will determine the consumer's choice. The decision will be based on expected conditions and normative conformity. Normative compliance refers to how much other individuals, such as friends and family members, affect the customer.
5. **Outcome/ post purchase behavior-** Following the purchase, the customer may suffer dissonance as a result of observing some unsettling qualities or hearing positive things about rival companies, and will be on the lookout for information that supports his or her decision.

People's views and choices, according to the model, have an impact on every stage of the decision-making process. Decision-making is significantly influenced by culture, emotional state, and environmental forces. Attitude, learning styles (introversion vs. extroversion), curvilinear decision-making models, and dual-process models are some of the elements that may be influenced solely through thinking.

2.1.3 Howard Sheth Model of Consumer Behavior

One of the most impartially designed modern models of customer behavior is the Howard Sheth Model. Within the limitations of constrained human capacities and inadequate knowledge, it is an effort to explain rational brand choice behavior. The simulation tries to address both external and internal behavior that cannot be directly addressed or observed. The approach makes three distinctions between learning levels.

- a) **Extensive Problem Solving:** When a consumer lacks precise brand preferences, his brand knowledge is either very restricted or nonexistent, which leads to extensive problem solving. Here, the buyer is actively looking for information on a variety of alternative brands.
- b) **Limited Problem Solving:** When a consumer's knowledge and opinions about brands are only poorly formed and he/she is only partially able to access brand distinctions in order to form a preference, limited problem solving occurs. Further comparison information is needed to make purchase.
- c) **Routinized Response Behavior:** When a customer has a well-established knowledge and ideas about a brand and its alternatives, routine response behavior results. Thus, the consumer will have tendency to purchases one particular brand.

According Howard and Sheth (1969) buyer reduce brand alternatives because of the following reason: time pressure, financial status, personality traits, social and organizational setting, social class, and culture. The most desired truck brand in Ethiopia is European brand truck which is also very expensive. Thus, due to financial status most of consumer in Ethiopia reduce these trucks from brand alternatives.

2.1.4. Types of buying decision behavior

Based on the level of involvement and the degree of the differences between brands, customer purchasing behavior varies significantly. Buying decision behavior is divided into four major behavior listed as follow:

- a) **Complex buying behavior:** Consumers engage in complicated buying behavior when they are deeply invested in a purchase and recognize major brand distinctions, or when the product is expensive, risky, rarely used, and highly reflective of their individuality. According to Assael (1995), customers are more likely to be interested in a product and make a purchasing choice with high personal involvement if one or more of the following factors hold true.
 - Product purchase is very essential for consumer.
 - Consumer is highly interested in the product
 - There is high risk involved in product choice
 - Product has emotional appeal to consumer
- b) **Dissonance-reducing buying behavior:** When buyers are heavily invested in a costly, unusual, or dangerous purchase yet there is minimal differentiation between brands, dissonance-reducing purchasing behavior develops.

- c) **Habitual buying behavior:** Habitual purchasing happens when there is little real brand distinction and minimal customer interaction. The majority of inexpensive, commonly bought items seem to have little consumer participation. Consumers do not do in-depth brand research, assess brand attributes, or make thoughtful choices about which brands to purchase. As they read periodicals or watch television, they instead take in information passively.
- d) **Variety-seeking buying behavior:** When there is limited competition, consumers engage in variety-seeking purchasing behavior. Low engagement of the consumer is because of considerable perceived brand distinctions. When this occurs, customers frequently switch between brands. Brand switching occur for variety seeking other than dissatisfaction with product.

2.1.5 Summary of theoretical literature review

The organizational buying behavior model is unable to quantify a given buying situation and does not provide the depth of information necessary to make a model practical. However, in general the model has a set of advantages that make up for it. The model provides a thorough understanding of organizational buying that makes it possible to assess the significance of particular factors and, as a result, allows for a deeper understanding of the fundamentals of industrial buying behavior (Webster.et.al, 1972). This is the model used in this study, since this model cannot give detail information other supporting models from consumer behaviors are use understand the individuals' influence in buying decision.

2.2. Empirical review and Hypothesis of the study

This section contains empirical research review. The result collected from different research are collected together to develop hypothesis.

2.2.1. Reference group

The buyer typically thinks that the decision is their own, yet the ultimate decision may include consulting friends or relatives (Green, Deschamps, & Paez, 2005). The findings by Nayeem (2012) showed that friends and family are the most significant information sources for Asian-born consumers. Beside family and friends, brokers in Ethiopia have high power of influence by word of mouth. “Consumers interrelationship serves as conduits for Word of mouth processes”(Voyer & Ranaweera, 2015). There is high influence of electronic word of mouth on consumers purchasing high-involvement product (Chen et al., 2015).

H₁: Reference group has positive and significant impact on customer purchase decision toward locally assembled Sinotruk.

2.2.2. Price

Price refers to a component of exchange, or a contract that occurs between two parties often represented by a buyer and a seller. It indicates what the buyer must sacrifice to the seller in order to obtain something that is being offered (Ejye, 1997). From empirical research done by Addisu (2017); Mohammed (2020); Tesafa (2018) ; Yilma (2018); Jima (2018) on consumer behavior on locally assembled automobile in Ethiopia revealed that there is inverse and significant relationship between price and purchase decision.

H₂: Price has inverse and significant influence on customer purchase decision toward locally assembled Sinotruk.

2.2.3. Quality

Product quality describes how effectively a product fulfills industry standards, satisfies client demands, and accomplishes its intended function. Businesses examine a number of important elements when assessing the quality of a product, including whether it solves a problem, functions well, or serves the needs of customers. Consumers feel that price and product quality are related, according to research (Wong and Zeng, 2015). As price of product decrease the consumer assume the product is of low quality. But in our case, we are comparing locally assembled truck with complete built up (CBU), thus quality and price are not inter-related. Quality in our case is whether the product is assembled as per manufacturer design, with no mistake being done by workmanship. Research done by Addisu (2017); Mohammed (2020); Tesafa (2018) ; Yilma (2018) approve that quality is one of factor that affect consumer behavior in purchasing locally assembled vehicles.

H₃: Perceived quality toward locally assembled Sinotruk affect customer purchase decision positively and significantly.

2.2.4. After sale service

After sales service is the service or support given to consumer to increase customer satisfaction. In automotive industry, after sale service is very essential specially for new product that need technical knowledge on how to maintain. Availability of after sales service build customer confidence on product, thus reduce risk. After-sale service is crucial for businesses to keep consumers for a long time and create highly profitable relationships with them (Choudhary et al., 2009). Research revealed a significant, untapped business opportunity in the Basque Country's after-sale services market for capital goods and industrial producers (Pagalday et al., 2018).

According to study conducted by Ahmed and Sanatullah (2011), the ease of access to experts, spare parts, and customization services has a favorable, significant influence on consumer purchasing decisions.

“A warranty is a manufacturer’s assurance to a buyer that a product or service is or shall be as represented,” (Murthy and Djamaludin, 2002). For new product warranty play great role in reducing perceived risk. Many customers assume that a product's reliability and durability are higher and longer, respectively, if its guarantee duration is significantly longer (Murthy and Djamaludin, 2002).

H4: Availability of after sales service positively and significantly affect customer purchase decision toward local assembled Sinotruk.

2.2.5. Perceived Risk

“Perceived risk, or the belief that the product has potentially negative consequences”(Solomon et al., 2006). When customers anticipate uncertainty in their buying decision(s), they will develop risk perceptions that will influence their purchase intention for that specific product or brand (Prabha et al. 2014). Consumer are subjected to different types of risk such as affordability, maintenance frequency/cost and product functionality(Wun, 2021).

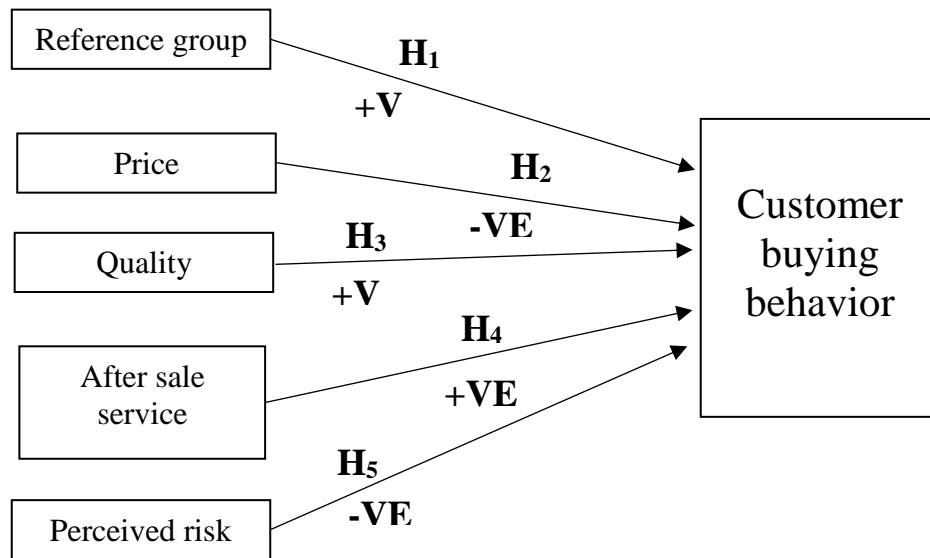
H5: perceived risk affects consumer purchase decision of locally assembled Sinotruk negatively.

2.3. Conceptual frame work

Conceptual framework of this study is developed based on a literature review, from different literature reviewed. Some of relevant research done by Mohammed (2020), Desta (2007), Yilma

(2018), Cheru (2018) and Tesafa (2018) most commonly researched on the following independent variables : Reference group, price, quality, after sale service and perceived risk. Thus the above mentioned independent variables and dependent variable (customer buying decision) are related as illustrated on the conceptual frame work below.

Figure 2. 2 Conceptual frame work of the study



CHAPTER THREE

RESEARCH METHODOLOGY

3. Introduction

This chapter covers the research methodology used to investigate factors affecting organizational buying behavior on locally assembled trucks in Ethiopia. In this section research design, sample design, source of data collection, research instrument, method of data collection and procedure of data collection is discussed in details. At end, data analysis method is elaborated.

3.1. Research approach

This research study uses Mixed research methods. Mixed methods research (MMR) collects and combines quantitative and qualitative data into a single study, which may lead to a more thorough knowledge of the topic being studied (Leavy, 2017). When a researcher tends to have additional understanding that is worthwhile studying, qualitative and quantitative research methods are combined (Morgan, 1998). Since the objective of this study is to understand customer buying behavior, which is complex term that need detailed information gathering.

In addition to assisting with the need to describe, qualitative research also helps in directing research into deeper explanations (Sofaer, 1999). Qualitative research is excellent because it can easily adjust to many circumstances. It is not only useful for examining the respondent's subconscious, but it is also frequently used in brainstorming sessions, which open the door for addressing marketing challenges. The customer's involvement during the brainstorming sessions may significantly affect the research's objectivity.

Quantitative research methods are fundamentally concerned with collecting and analyzing structured data that may be represented quantitatively, the major objectives is to build precise and

reliable measurements that enable statistical analysis (Goertzen et al, 2017). Quantitative techniques are deductive in nature and use deductive reasoning to support or disprove particular ideas and hypotheses (Leavy, 2017).

3.2. Research design

There are three type of research type; exploratory, descriptive and explanatory research. “Exploratory research is used to develop a better understanding of a business problem or opportunity, Descriptive research describes a situation by providing measures of an event or activity using descriptive statistics and explanatory research are the most complex research type that is used to test whether one event causes another”(Hair & Brunsveld, 2019).

According to Swedberg (2020) exploratory research was used because there was a general lack of knowledge about a subject that needed to be studied. The Other two use of exploratory research that are stated by Coleman (1958) available information was sometimes contradictory and incomplete. And Merton et al. (1973) also mentioned that, even if certain social phenomena may have already been extensively investigated, there is always a need for new and interesting hypotheses.

The goal of descriptive research is to collect information that describes the characteristics of the research topic (Hair & Brunsveld, 2019). In this research, the major information gathered through questionnaires concerning respondents' demographic profile and correlation of the variables was characterized by descriptive analysis. Thus, this study uses both explanatory and descriptive research type to get enough answer to research questions.

3.3. Sampling Design

The fundamental steps of doing business research include sampling design. The following inquiries are addressed throughout the sample design process:

- 1 What should be used: a sample or a census?
- 2 If a sample, which sampling technique is the most effective?
- 3 How much of a sample is required?

The researcher must always think about strategies to reduce error that might happen during the sampling procedure while responding to these questions(Hair & Brunsveld, 2019).

3.3.1 Population of the study

A population is a collection of potential participants to whom researcher wishes to extrapolate study findings. In our case, this research studies customer buying behavior toward locally assembled Sinotruk, the objective of this research is to understand what influence buying behavior of Sinotruk, it tries to understand why some buy locally assembled Sinotruk, it also tries to understand why some refuse to locally assembled Sinotruk. All walking customers, experts and brokers at different Sinotruk sales company are taken as target population for this study.

3.3.2 Sampling techniques

Sampling techniques is a technique used by researchers to select the most suitable sample that can represent the population correctly. Probability and nonprobability are the two basic categories into which traditional sampling techniques may be separated. The foundation of probability techniques is the idea that each component of the target population has a known, although not always equal, probability of being chosen in a sample. In probability sampling, sampling components are chosen

at random with an established probability of selection by the researcher. Probability sampling, when done correctly, guarantees that the sample is representative.

In nonprobability sampling, the researcher has the final decision on whether components should be included or excluded from the sample. To put it another way, not all members of the target population have an equal probability of being included in the sample.

For the purpose of this research we select nonprobability sampling. The sample only consider target population which are: walking customers, experts and brokers at different Sinotruk sales companies.

3.3.3 Sample size

The major requirement of this research is to investigate customer buying behavior toward locally assembled truck. Convenience non-probability sampling will be used to address walking customer, experts and brokers at any of truck seller located in Addis Ababa. For purpose of validity and reliability of data this research uses two sample, one for quantitative research which is carried out at beginning and then qualitative research is done to fill the gap.

According to Fischer & Castilhos (2014) the sufficient sample size for interviews is determined after some interviews are being conducted and analyzed. In the section of qualitative research, the principle of theoretical saturation is used to determine sufficient sample size. While it is generally safe to estimate that 8 to 10 interviews will be necessary at least (McCracken, 1988).

In determining the sample size for quantitative analysis, two point was considered in this research. The first one is the acceptable minimum number of sample size for regression analysis. The second one is the rate of respondents responding to pilot survey. To determine the willingness of respondents to respond to questionnaire and their understanding of the questions. Pilot survey was carried on 25 participants. Out of 25 distributed questionnaire only 11 respond was received.

According to VanVooris et al. (2007) using rule of thumb they presented the minimum sample size for regression analysis in the following formula.

$$N > 50 + 8M$$

$$N > 50 + 8 \times 5 = 90$$

$$N > \mathbf{90}$$

Where N = Sample size

M= Number of independent variables.

Considering respondent's willingness, if out of 25 distributed questionnaire 11 responded, how big shall be the number of distributed questionnaires to at least receive 90 respondents? Using integration as follow.

$$\mathbf{If\ 25 = 11}$$

$$\mathbf{N = 90}$$

$$\mathbf{N = (90 \times 25) / 11 = 204}$$

So, the number of questionnaires distributed should be = **204**

3.4 Source of data collection

Both primary and second source of data are used in this research. Primary data are used by interviewing and distributing questioner. Secondary data is used from previous literature concerning the topic.

3.5 Research instrument

This research is an explanatory and descriptive research which is carried out through qualitative and quantitative approach. Therefore, this research has two section.

The first one is quantitative research approach that used both explanatory and descriptive research. In this section closed-end questionnaire is used, Likert-scale is used for quantitative analysis.

The second one is a qualitative research approach which is carried out through depth interview using structured interview for sample size of 10 individuals that are selected randomly from walking -in costumer and marketing manager from different truck selling companies. A qualitative research is conducted after quantitative research so that the response from quantitative research approach is used to include most relevant idea in the questionnaire for qualitative research approach.

Table 3. 1 Summary of Key Measurement Scale from previous study.

Measure	Author	No of Item	Scale Type
Reference Group	Bizu Tesafa (2018)	4	5- point Likert scale
	Cheru Jima (2018)	2	
	Prasad, S., Gupta, I. C., & Totala, N. K. (2017)	1	
	Daniel Yilma (2018)	1	
Price Factor	Daniel Yilma (2018)	3	5- point Likert scale
Quality	Amir, A., & Asad, M. (2017).	2	5- point Likert scale
	Tung, B., & Carlson, J. (2015).	1	
After-sales Service	Daniel Yilma (2018)	3	5- point Likert scale
	Amir, A., & Asad, M. (2017).	1	
Perceived Risk	Bizu Tesafa (2018)	2	5- point Likert scale
	Daniel Yilma (2018)	1	

3.6 Method of data collection.

Telephone and face to face are the two-option used for collecting data for qualitative research. And closed-end questioner is distributed through personal, mail and online questioner for quantitative research.

3.7 Data analysis method

Techniques of qualitative and quantitative data analysis are the two main approaches to data analysis. Business executives and decision-makers can use these data analysis approaches individually or in combination to get business insights from various data.

In qualitative data analysis, this research used narrative method. While in quantitative method, researcher used deductive and inferential statistics. Deductive is used to understand the characteristic of the data. While inferential statistics use a software of Statistical Package for Social Sciences (SPSS) to analyze the data to come up with an answer to research question provided in chapter one.

3.8 Validity and Reliability

3.8.1 Validity

The ability of research surveys to yield results that are relevant to the research is referred to as validity. The degree to which a concept is precisely quantified in a quantitative investigation is the definition of validity (Heale & Twycross, 2015). To assure the validity of this research, the following precaution is taken

- Questionnaire are design according to previous literature and find from qualitative research should also be relevant.

3.8.2 Reliability

Reliability is the issue of whether one's discoveries will be discovered again(Merriam, 1995). “Reliability is the accuracy or precision of a measuring instrument”(Hammersley, 1987). The major issue cover in this section is that the research is free from biasness and the measurement is accurate. To make sure that the data is reliable, the reliability and internal consistency of the data are measured by the Cronbach Alpha coefficient.

3.9 Ethical consideration

The researcher will consider high level of ethical responsibility while conducting this research. The right to choose, the right to safety, the right to be informed, the right to privacy and confidentiality of respondent will be given great attention in this research. The information that will be provided on this research will be strictly restricted to ethical responsibility of the field of study. Even to the researcher, the participant will stay confidential during the whole study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4 Introduction

This research used both online survey and questionnaire distribution to respondents for quantitative analysis purpose. A total of 200 questionnaires were distributed and only 170 were returned. From 170 only 154 were usable for statistical analysis. This chapter presents the findings of research analysis based on the research objectives. The contents of this chapter include, descriptive analysis to interpret demographic of respondents, reliability test, and regression analysis to answer how independent variables such as reference group, price factor, quality, aftersales service and perceived risk affect dependent variable which is customer purchase decision towards locally assembled truck in Ethiopia. Qualitative analysis is also presented at end of this chapter.

4.1 Demographic of respondents

In order to analyze demographic of respondent's questions such as age, gender, education background, income, whether one owns a truck or not, duration and source of information, and whether one prefers locally assembled or imported truck, are added to survey. The result of demographic analysis was presented in table below.

Table 4. 1 Demographic characteristics of respondents.

Demographic of respondents		Frequency	Percent %
Age	20-29	23	14.9%
	30-39	36	23.4%
	40-49	46	29.9%
	More than 49	49	31.8%
Total		154	100%
Gender	Male	94	61.0%
	Female	60	39.0%
Total		154	100%
Educational background or experience	Related to Automotive	49	31.8%
	Not Related to Automotive	105	68.2%
Total		154	100%
Average current monthly income in birr	0-30,000	56	36.4%
	30,001-100,000	66	42.8%
	100,001-200,000	27	17.5%
	More than 200,000	5	3.2%
Total		154	100%
Own a Truck?	No	121	78.6%
	Yes	33	21.4%
Total		154	100%
Pre-purchase information search duration.	0-14 days	36	23.4%
	15-30 days	77	50.0%
	31-60 days	28	18.2%
	More than 60	13	8.4%
Total		154	100%

Demographic of respondents		Frequency	Percent %
Main source of Information	Social Media (Facebook, Tiktok, Telegram, Instagram, and others).	21	13.6%
	Friend and family.	21	13.6%
	Brokers.	15	9.7%
	Professional experts	89	57.8%
	Others.	8	5.2%
Total		154	100%
General Preference of respondent between locally assembled and Imported truck	Locally Assembled Sinotruk	37	24%
	Imported Sinotruk	117	76%
Total		154	100%

Out of 154 respondents 14.9% of them were of age 20-29, 23.4% of them were of age 30-39, 29.9% of them were age 40-49, while the rest 31.8% of the were of age more than 49 years. This means 61.9 % of the respondents is age of more than 40 years old. In gender context out of 154 respondents 61% (94) of the were male while the remaining 39% (60) were female. Based on educational background 31.8% (49) of the respondents had automotive related back while the remain 68.2% (105) had no automotive related back ground.

In economic level, 36.4% (56) of the 154 respondents had monthly income of 0-30,000 ETB, 42.8% (66) of the respondents had monthly income of 30,001-100,000ETB, 17.5% (27) had monthly income of 100,001-200,000 ETB and the rest 3.2% (5) had monthly income more than 200,000 ETB. From 154 respondents 121 (78.6%) of them doesn't own truck while the remaining 33 (21.4%) own truck. The number of days preferred by customer as pre-purchase information duration for 36 (23.4%) of respondents was 0- 14 days, 77(50%) of them preferred 15-30 days, while 28 (18%) of them preferred 31-60 days, and 13 (8.4) of them preferred days more than 60.

Main source of information preferred by respondents are as follow, 21 (13.6%) of them preferred social media, other 21 (13.6%) of them preferred Friends and family, 15 (9.7%) Of them preferred broker, 89 (57.8%) of them preferred professional experts, the remaining 8(5.2%) of them preferred other source of information. From 154 respondents 37 (24%) preferred to purchase locally assembled Sinotruk while the remaining 117 (76%) preferred to purchase imported Sinotruk.

4.2 Reliability test

The Cronbach's alpha coefficients method is used to test internal consistency in this research paper. Using SPSS 20 software, the Cronbach's alpha coefficients results is presented in table below.

Table 4. 2 Cronbach's alpha coefficients result and Interpretation.

Cronbach's alpha coefficients result				Classification of Cronbach's Alpha Coefficient	
No	Constructs	Cronbach's alpha coefficients	Number of Item	Cronbach's alpha coefficient	Interpretation of Cronbach's Alpha Coefficient
1	Reference Group (RG)	0.663	8	≥ 0.9	The internal consistency of the scale is high.
2	Price Factor (PF)	0.744	3	$0.7 \leq \alpha < 0.9$	The scale has internal consistency.
3	Quality(Q)	0.869	4	$0.6 \leq \alpha < 0.7$	The internal consistency of the scale is acceptable.
4	Aftersales Service (ASS)	0.797	4	$0.5 \leq \alpha < 0.6$	The internal consistency of the scale is weak.
5	Perceived Risk (PR)	0.772	3	$\alpha \leq 0.5$	The scale has no internal consistency.
6	Buying Behavior (BB)	0.535	5		
Overall scale reliability		0.764	27		

Source: Source: Surucu and Maslaki (2020)

Table 4. 3 The Overall Cronbach’s alpha coefficients

Cronbach's Alpha	Number of Items
.764	27

Generally accepted technique for interpreting Cronbach’s alpha coefficients is presented in table 4.2 according to (Surucu and Maslaki ,2020). From table 4.2 the result for Cronbach alpha coefficients for the six variables is more than 0.5 and the overall scale reliability has resulted 0.764 which is greater than 0.7, thus the scale has internal consistency. Since this research topic is not researched previously by anyone, and sample size for this research is very small. Having small sample size weakens the internal consistency of the research and a study in its earlier stage may result in weak internal consistency because most of the terms are unexplored points.

A low Cronbach’s 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. According to Churchill (1979), at early stage of research, Cronbach’s alpha confidents of 0.5 or 0.6 is accepted.

4.3. Descriptive analysis of variables

By uniformly weighing the mean scores of all the items under each variable, the mean scores for all five variables have been calculated. For each variable (Reference group, price, quality, after-sales service, perceived risk, and purchase decision), respondents were asked to score their view on a five-point Likert type scale, with 1 being strongly disagree and 5 strongly agree. The result is present the below tables.

Table 4. 4 Descriptive statistics of reference group

Reference group	N	Mean	Std. Deviation
I seek information from those who work in the truck Industry when I am about to purchase locally assembled truck.	154	4.03	.699
I search information about various locally assembled truck from a professional and independent group of experts.	154	4.15	.730
My choice of truck is influenced by other's word of mouth.	154	3.58	.876
I collect information about locally assembled truck from friends, neighbors, relatives or colleagues (such as how locally assembled and imported truck of the same brand differs).	154	4.14	.736
I tend to choose truck that enhance my image in other's eyes.	154	3.40	.932
I often read online product reviews to know what type of truck make bad impression on customer.	154	3.89	.867
Buying locally assembled truck, make me accepted by my friends and family	154	2.99	.824
I buy locally assembled truck if it is recommended by family and friends (previously experienced person)	154	4.21	.855
Average Mean		<u>3.80</u>	0.81

The above table shows that reference group contains 8 statements. From finding, the researcher understood that the most influential reference group are: family and friends (previously owning Sinotruk) with mean value of 4.21 and experts with mean value of 4.15. As indicated in table above, the average mean score for reference group is 3.8, this means that the respondents highly agreed that reference group has influence on buying of locally assembled Sinotruk.

Table 4. 5 Descriptive statistics of price factor

Price Factor	N	Mean	Std. Deviation
I prefer to buy locally assembled trucks because its price is relatively low compared to imported truck.	154	2.80	1.093
I prefer to buy locally assembled trucks because its resale value has no difference with imported one.	154	3.04	.862
I prefer to buy locally assembled trucks because its spare parts price is lower than imported one.	154	2.66	.972
Average Mean		<u>2.83</u>	0.98

The above table shows that price factor contains 3 statements. From the 3 statements respondents agreed on that, they may consider to buy locally Sinotruk in aspect of resale value. As indicated in table above, the average mean score for price factor is 2.83, this means that the respondents moderately agreed that price factor influence buying of locally assembled Sinotruk.

Table 4. 6 Descriptive statistics of quality

Quality	N	Mean	Std. Deviation
Locally assembled SINOTRUK are not of acceptable quality.	154	2.71	.876
Locally assembled SINOTRUK are not as reliable as imported one.	154	2.72	.939
Locally assembled SINOTRUK are not durable.	154	2.54	.901
There is workman-ship quality problem on locally assembled trucks.	154	3.14	.825
Average Mean		<u>2.78</u>	0.89

The above table shows that quality factor contains 4 statements. From the 4 statements respondents agreed on that, the major quality problem of locally assembled Sinotruk is its' workmanship quality problem. As indicated in table above, the average mean score for quality is 2.78, this means

that the respondents moderately agreed that quality of locally assembled Sinotruk had an influence buying of locally assembled Sinotruk.

Table 4. 7 Descriptive statistics of aftersales service

Aftersales service	N	Mean	Std. Deviation
I prefer to buy a certain truck because of the best maintenance service I get from the seller (convenient and quick after sales service).	154	4.04	.757
I prefer to buy truck because of the availability of warranty.	154	4.28	.728
Technical support of locally assembled SINOTRUK is not sufficient.	154	3.94	.673
Availability of spare parts is an important factor.	154	4.40	.662
Average Mean		<u>4.16</u>	0.705

The above table shows that aftersales service contains 4 statements. From the 4 statements, respondents strongly agreed that availability of spare part and warranty are the major factors that influence buying decision of locally assembled Sinotruk. As indicated in table above, the average mean score for aftersales service is 4.16, this means that the respondents highly agreed that aftersales service influence buying of locally assembled Sinotruk.

Table 4. 8 Descriptive statistics of perceived risk

Perceived Risk	N	Mean	Std. Deviation
I would buy a locally assembled truck if there is a credit facility since credit payment reduces financial risk.	154	3.78	.539
The financial risk attributed to locally assembled truck is high.	154	3.60	.553
The performance risk attributed to locally assembled truck is high.	154	3.60	.554
Average Mean		<u>3.66</u>	0.549

The above table shows that perceived risk contains 3 statements. From the 3 statements, respondents agreed that the availability of any system that reduce financial risk, like credit facility can help them purchase locally assembled Sinotruk. As indicated in table above, the average mean score for perceived risk is 3.66, this means that the respondents highly agreed that perceived risk influence buying of locally assembled Sinotruk.

Table 4. 9 Descriptive statistics of buying behavior

Buying Behavior	N	Mean	Std. Deviation
My decision to buy locally assembled SINOTRUK is determined by recommendations I get from others.	154	3.90	.849
My decision to buy locally assembled SINOTRUK is determined by price factor.	154	3.71	.685
My decision to buy locally assembled SINOTRUK is determined by quality factor.	154	4.33	.584
My decision to buy locally assembled SINOTRUK is determined by after sales service offered.	154	4.05	.699
My decision to buy locally assembled SINOTRUK is determined by perceived risk.	154	4.16	.671
Average Mean		<u>4.03</u>	0.872

The summary of mean factors: reference group, price, quality, aftersales service and perceived risk were calculated and presented in the table above. From the table above the highest mean value was 4.33 which is quality, followed by perceived risk with mean value of 4.16, then followed by aftersales service with mean value of 4.05 and then followed by reference group with mean value of 3.90. The lowest mean value was 3.71 which is for price.

4.4 Correlation Analysis

Statistical Package for Social Science (SPSS) version 20 was used to investigate the correlation between independent and dependent variables. The correlation matrix below employs a Pearson

correlation coefficient to display the relationship between the variables. The relationship between the variables taken into account by the questionnaire is shown in Table 4.9.

Table 4. 10 Pearson Correlation matrix

		LNBB	LNRG	LNPF	LNQ	LNASS	LNPR
LNBB	Pearson Correlation	1	.741**	.151	.194*	.655**	-.095
	Sig. (2-tailed)		.000	.061	.016	.000	.242
	N	154	154	154	154	154	154
LNRG	Pearson Correlation		1	.229**	-.018	.655**	-.045
	Sig. (2-tailed)			.004	.824	.000	.578
	N		154	154	154	154	154
LNPF	Pearson Correlation			1	-.102	.070	-.078
	Sig. (2-tailed)				.207	.386	.333
	N			154	154	154	154
LNQ	Pearson Correlation				1	.145	-.150
	Sig. (2-tailed)					.072	.063
	N				154	154	154
LNASS	Pearson Correlation					1	-.097
	Sig. (2-tailed)						.230
	N					154	154
LNPR	Pearson Correlation						1
	Sig. (2-tailed)						
	N						154

A correlation matrix employing the Pearson Product-Moment correlation coefficient for all variables was shown in Table 4.10 above. The value of Pearson's correlation is divided into three categories, according to Cohen (1988). A low correlation is defined as a correlation coefficient between 0.10 and 0.29, a medium correlation is defined as a correlation coefficient between 0.30 and 0.49, and a big correlation is defined as a correlation coefficient between 0.50 and 1.0. The correlation between dependent variable (buying behavior) with each independent variable

(reference group, price factor, quality, aftersales service and perceived risk) is present in table below as summary.

Table 4. 11 Summary of correlation analysis

Variables	Direction	Pearson Correlation coefficients	P value (sig.)	Significance	Strength of relationship
Reference Group	+Ve	0.741	0.000	Significant	High
Price Factor	+Ve	0.151	0.061	Insignificant	Low
Quality	+Ve	.194	0.016	Significant	Low
Aftersales service	+Ve	0.655	0.000	Significant	High
Perceived Risk	-Ve	-0.095	0.242	Insignificant	Very low

4.5 Classical linear regression model assumptions test.

Regression is an attempt to interpret changes in one or more variables in relation to changes in another variable or variables (Brook,2014). In this section the five result of CLRM assumption is presented. Normality, Linearity, Multi-collinearity, Heteroscedastic and Auto-correlation assumption and diagnostic test are present step by step in the following section.

4.5.1 Normality assumption test

Normality assumption state that the error term is normally distributed. Both Histogram and Shapiro-Wilk or Kolmogorov-Smirnov normality test method are used in this paper to test normality.

The shape of the histogram chart shown below on figure 4.1 has the shape of normal curve distribution thus the error is normal distributed. For sample size greater than 50 we use to Kolmogorov-Smirnov and for sample size less than 50 we use Shapiro-Wilk, since our sample size is greater than 50 we use Kolmogorov-Smirnov test. According to Kolmogorov-Smirnov test the following hypothesis is stated

H₀: The error distribution is normally distributed.

H₁: The error distribution is not normally distributed.

Null hypothesis is accepted if Sig > 0.05. From the result in table 4.5 Sig =0.2, since Sig=0.2>0.05, we accept Null hypothesis therefore our error term is normally distributed.

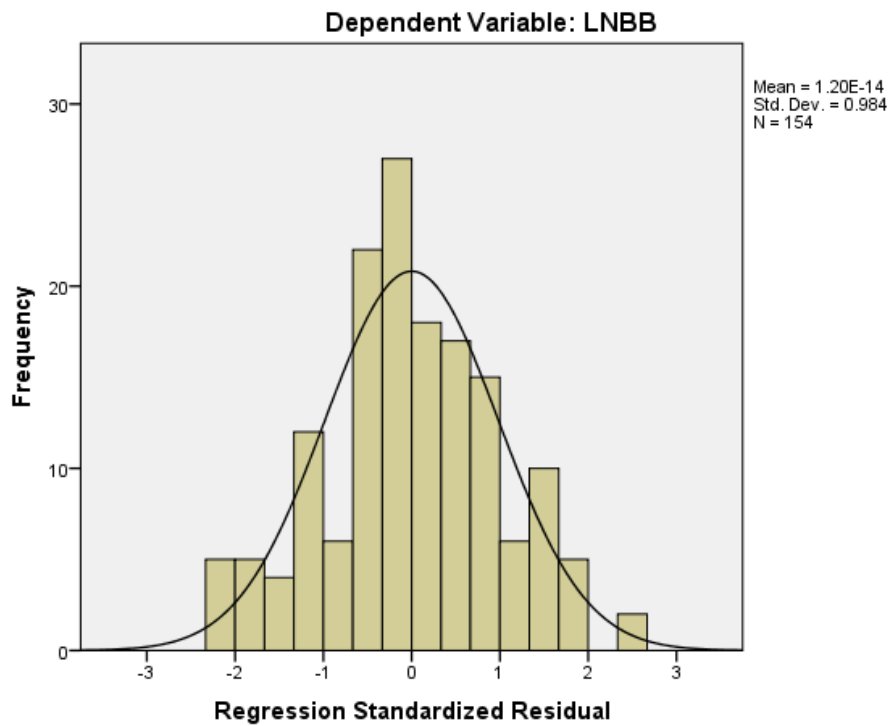
Table 4. 12 Test of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.058	154	.200*	.990	154	.369
Standardized Residual	.058	154	.200*	.990	154	.369

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

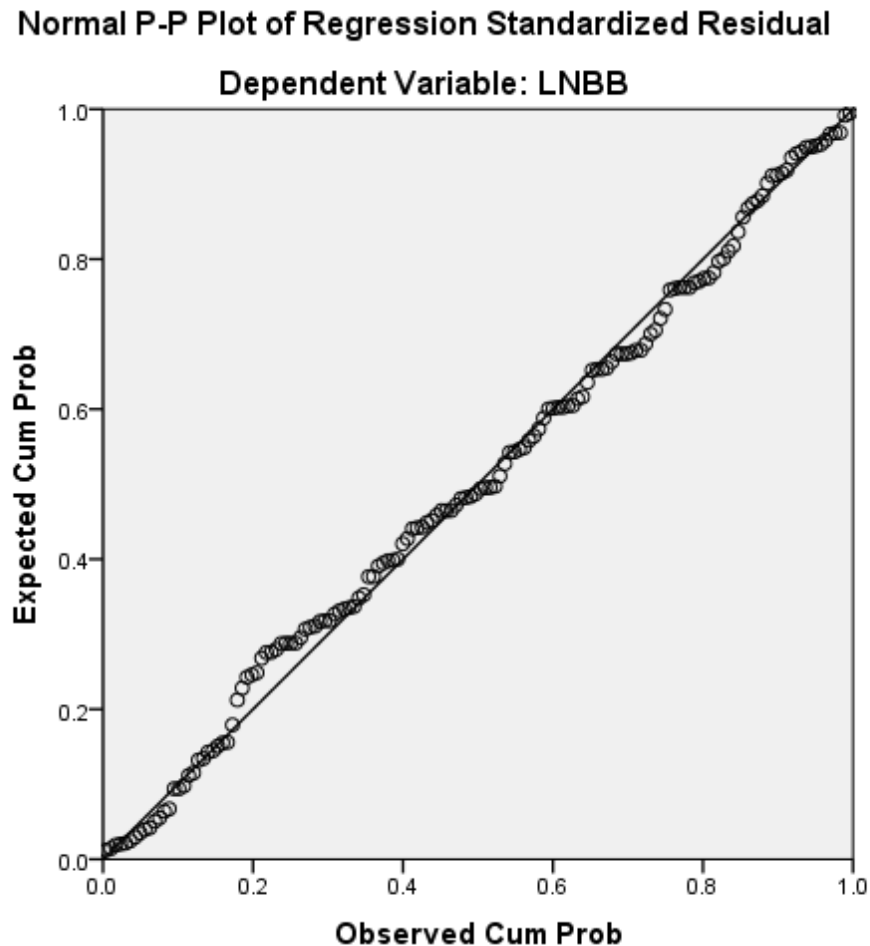
Figure 4. 1 Histogram of regression standardized residual
Histogram



4.5.2 Linearity assumption test

Linearity assumption is accepted when point in probability graph are disseminated around diagonal line, therefore from our result in shown below in P-P plot, standardized residual of dependent variable satisfies the above-mentioned criteria thus linearity assumption is accepted.

Figure 4. 2 Normal P-P plot



4.5.3 Multicollinearity assumption test

An implicit assumption that is made when using the OLS estimation method is that the independent variables are not correlated with one another. Multicollinearity was tested using correlation matrix and Variance Inflation Factor (VIF).

Correlation matrix method

When computing a matrix of Pearson's correlations in appendix 3, among all independent variables, the magnitude of the correlation coefficients should be less than $r=0.80$. This condition is satisfied since the maximum correlation magnitude is $r=0.655$ according to table 4,13 which is adapted from own source of SPSS result of Appendix 3.

Table 4. 13 Matrix of Pearson Correlation

	LNRG	LNPF	LNQ	LNASS	LNPR
LNRG	1.000				
LNPF	.229	1.000			
LNQ	-.018	-.102	1.000		
LNASS	.655	.070	.145	1.000	
LNPR	-.045	-.078	-.150	-.097	1.000

Variance Inflation Factor (VIF) method

The VIFs of the linear regression indicate the degree that the variances in the regression estimates are increased due to multicollinearity. Multicollinearity does not exist if VIF values lies between 1-10, otherwise if VIF is less one or greater than 10 Multicollinearity exist (Oke, 2019). This condition is also satisfied from Appendix 4, since VIF result ranges from 1.038 up to 1.892 which lies between 1-10.

Table 4. 14 Multicollinearity table

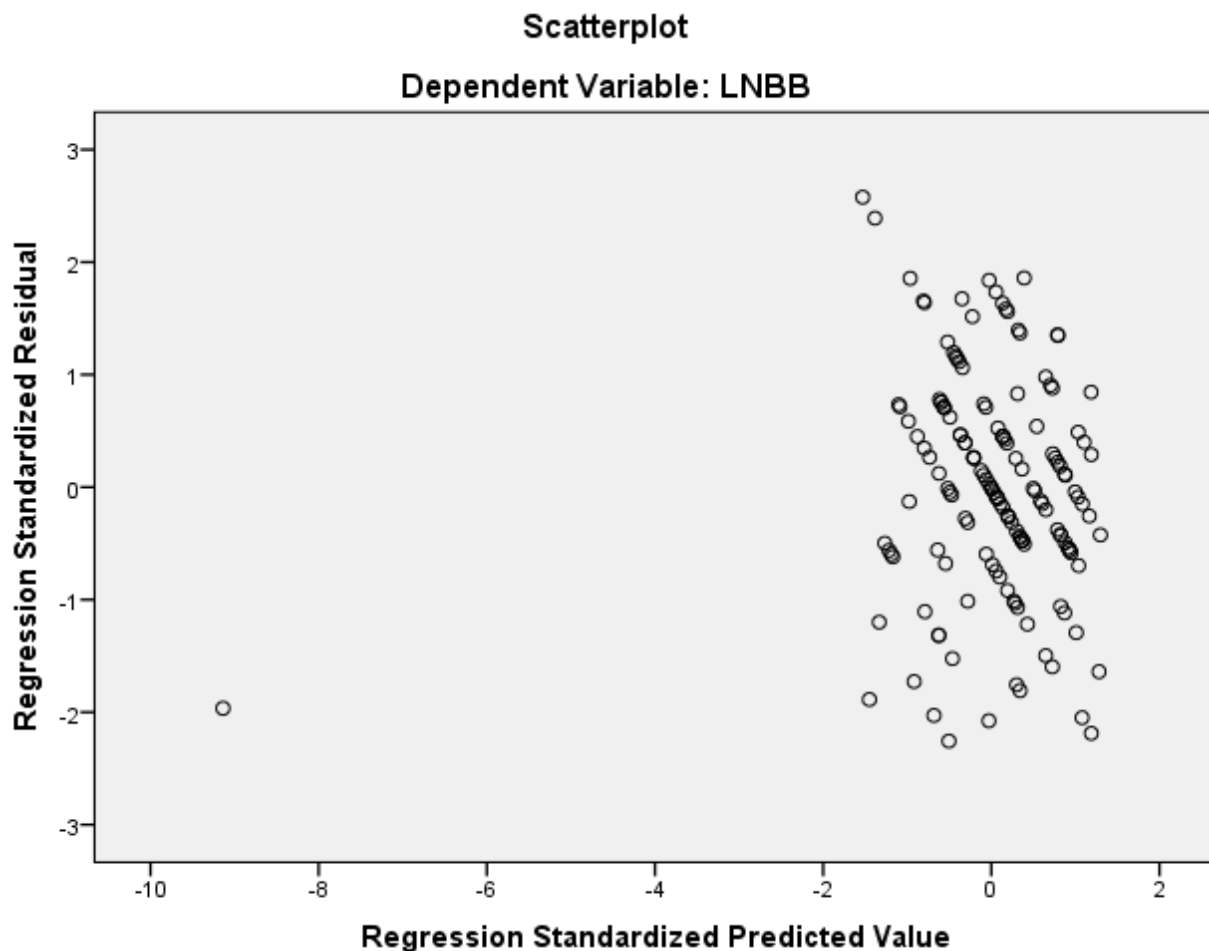
Model	Unstandardize d Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	.403	.099		4.049	.000	.206	.599		
LNRG	.477	.057	.573	8.303	.000	.364	.591	.529	1.892
LNPF	.008	.022	.018	.340	.735	-.037	.052	.922	1.084
LNQ	.071	.022	.167	3.210	.002	.027	.115	.931	1.074
LNASS	.209	.057	.253	3.697	.000	.097	.321	.540	1.852
LNPR	-.018	.050	-.018	-3.350	.727	-.117	.082	.963	1.038

a. Dependent Variable: LNBB

4.5.4 Heteroscedastic assumption test

Assumption state that the mean of the disturbance is zero, if the errors do not have a constant variance the model violet the assumption. Using Scatter plot in figure 4.3 errors are linearly distributed. Thus, the assumption is accepted.

Figure 4. 3 Scatter plot



4.5.5 Autocorrelation assumption test

This assumption assume that the errors are uncorrelated with one another. Durbin-Watson test is used in this research to test Presence of Autocorrelation. DW for this study was =1.756(Table 4.6). From table of critical values for Durbin-Watson Statics we obtain d_L and d_U for-sample size of 154 and where number of independent variables is equal to 5.

$$d_L = 1.44$$

$$d_U = 1.65$$

For assumption to be accepted

DW should be found in range of $(d_U, 4 - d_U) = (1.65, 4 - 1.65) = (1.65, 2.35)$

Since $DW = 1.756$ is found in range of $(1.65, 2.35)$, the assumption that state there is no autocorrelation is accepted for this model.

Table 4. 15 Durbin-Watson result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.792 ^a	.627	.614	.07714	1.756

a. Predictors: (Constant), LNPR, LNRG, LNQ, LNPF, LNASS

b. Dependent Variable: LNBB

4.5.6 Model summary

Using linear regression ANOVA test from table 4.16 p-value for this model (sig = 0.00) is less than 0.05, thus the model is adequate. From table 4.15 Adjusted R square = 0.614, which means independent variables in this model explains 61.4% of the model. In general, this model is adequate.

Table 4. 16 Model Summary

Model Summary										
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	.792 ^a	.627	.614	.07714	.627	49.746	5	148	.000	1.756

a. Predictors: (Constant), LNPR, LNRG, LNQ, LNPF, LNASS

b. Dependent Variable: LNBB

Table 4. 17 Model adequacy result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.480	5	.296	49.746	.000 ^b
	Residual	.881	148	.006		
	Total	2.361	153			

a. Dependent Variable: LNBB

b. Predictors: (Constant), LNPR, LNRG, LNQ, LNPF, LNASS

4.6 Regression Coefficients

Table 4. 18 Coefficient of variables of regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.403	.099		4.049	.000
LN of Reference Group	.477	.057	.573	8.303	.000
LN of Price Factor	.008	.022	.018	.340	.735
LN of Quality	.071	.022	.167	3.210	.002
LN of Aftersales Service	.209	.057	.253	3.697	.000
LN of Perceived Risk	-.018	.050	-.018	-.350	.727

a. Dependent Variable: LN of Buying Behavior

Linear regression model is

$$LNBB = \beta_0 + \beta_1 LNRG + \beta_2 LNPF + \beta_3 LNQ + \beta_4 LNASS + \beta_5 LNPR + \epsilon$$

Where

LNBB= LN of Buying Behavior

β_0 = Constant (Y- intercept)

β_1 = Coefficient of LN of Reference Group

β_2 = Coefficient of LN of Price Factor

β_3 = Coefficient of LN of Quality

β_4 = Coefficient of LN of After Sales Service

β_5 = Coefficient of LN of Perceived Risk

ε = Random error

Substituting values from table 4.8 the regression for this model is presented as follow.

$$\text{LNBB} = 0.403 + 0.573\text{LN RG} + 0.018\text{LN PF} + 0.167\text{LN Q} + 0.253\text{LN ASS} - 0.018\text{LN PR} + \varepsilon$$

4.7 Hypothesis Testing

H₁: Reference group has positive impact on customer purchase decision toward locally assembled truck.

The first hypothesis which state that reference group has positive impact on consumer purchase decision is accepted because P value ($P=0.00 < 0.05$, $\beta=0.573$) is significant at 95% confidence level. This implies that recommendation given by reference group increases the buyer's chance of buying locally assembled truck by 57.3% on average for each percent increase of recommendation given by reference group while keeping other variables constant. Therefore, null hypothesis is rejected.

H₂: Price positively affect customer purchase decision toward locally assembled truck

The second hypothesis which state that price has positive affect consumer purchase decision is rejected because P value ($P=0.735 > 0.05$, $\beta=0.018$) is not significant at 95% confidence level. This implies that price has insignificant effect on buyer's chance of buying locally assembled truck. Therefore, the null hypothesis is accepted which assume β to be zero.

H₃: Quality attitude toward locally assembled truck affect customer purchase decision positively.

The third hypothesis which state that Quality attitude toward locally assembled truck affect consumer purchase decision positively is accepted because P value ($P=0.002 < 0.05$, $\beta=0.167$) is significant at 95% confidence level. This implies that quality increases the buyer's chance of buying locally assembled truck by 16.7 % on average for each percent of improvement on quality keeping other variables constant. Therefore, null hypothesis is rejected.

H₄: Availability of after sales service positively affect customer purchase decision.

The fourth hypothesis which state that availability of after sales service positively affect consumer purchase decision is accepted because P value ($P=0.000 < 0.05$, $\beta=0.253$) is significant at 95% confidence level. This implies that availability of after sales service increases the buyer's chance of buying locally assembled truck by 25.3 % on average for each percent of improvement on after sales service keeping other variable constant. Therefore, null hypothesis is rejected.

H₅: perceived risk affects customer purchase decision of locally assembled truck negatively.

The fifth hypothesis which state that perceived risk affects consumer purchase decision of locally assembled truck negatively is rejected because P value ($P=0.727 > 0.05$, $\beta= -0.018$) is not significant at 95% confidence level. This implies that Perceived risk has insignificant effect on buyer's chance of buying locally assembled truck. Therefore, the null hypothesis is accepted which assume β to be zero.

Table 4. 19 Summary of hypothesis test result

Variable	Hypothesis result	Standardized Coefficients	P value	Remark
Reference Group (H ₁)	Accepted	.573	0.000	
Price Factor (H ₂)	Rejected	.018	0.735	Coefficient close to zero and p value is greater than 0.05statically insignificant.
Quality (H ₃)	Accepted	.167	0.002	
After Sales Service (H ₄)	Accepted	.253	0.000	
Perceived Risk (H ₅)	Rejected	-.018	0.727	Coefficient close to zero and p value is greater than 0.05statically insignificant.

4.8. Qualitative Interpretation of results

In quantitative research section, the research result gave some opposite results to theoretical aspect of consumer behavior. To answer the finding in quantitative section and fill the gap left in the questionnaire, qualitative research was used. Under qualitative research unclear points and confusing points are tried to be unrevealed.

The main focus of this section tries to explore what Sinotruk purchaser know, feel and how they react to locally assembled Sinotruk. In this qualitative research, individual interview was conducted on 10 people who are in truck industry. The sample was selected from experts, broker, customer, Sinotruk owner and marketing manager at truck selling companies. Narrative method was used to both describe the collected data and present data analysis.

4.8.1 Topic discussed on interviews

1. Locally assembled Sinotruk Vs imported one, which one should be preferred? why is it so?

From the 10 people interviewed, 7 of them doesn't own Sinotruk while 3 of them own Sinotruk. And from who own Sinotruk, 2 who own imported Sinotruk preferred to buy imported one while 1 who own both locally assembled and imported one preferred to buy locally assembled Sinotruk. One who preferred to locally assembled gave an evidence that imported Sinotruk rust due to long time parking at port, due to lack of proper storage and handling most of them need maintenance at short millage.

The others 7 including the 2 who own imported Sinotruk gave the following reason for preferring imported Sinotruk, they think that locally assembled are not of good quality, some failure will happen to the truck as soon as truck got into road due to wrong assembly procedure.

2. In quantitative research findings, Price factor found to had insignificant effect on purchasing locally assembled Sinotruk, what is the reason for this result? How does price affect in purchase decision of locally assembled Sinotruk?

All of the interviewees agreed that price had significant effect on purchase decision provided that there is big price difference, if the price of locally assembled Sinotruk is low they need to get good recommendation from broker, family, friends and close person who had experience of owning Sinotruk otherwise they still choose imported Sinotruk. Since the price difference is insignificant relative total price, little price difference doesn't affect purchase decision. All of the interview agreed that price difference is insignificant factor in purchasing Sinotruk, they are ready to pay price different to buy what they believe in good product. Price difference of less than 5% is tolerated by Sinotruk purchaser.

3. Opinion of customer when purchasing locally assembled Sinotruk

Before making purchase decision all of the interviewees suggest to collocate available information on locally assembled Sinotruk. From some of information they try to collect, they try to know what kind of possible risk exist, does locally assembly give special offer like warranty, after sales service, technical support, what is the duration warranty provided. They try to evaluate the special offer given by Sinotruk seller relative to recommendation they obtain from reference group. Provided that the locally assembly offer after sales service, warranty, technical support. Customer choose the one is that recommended by most people special close relatives and brokers.

4. Recommendation suggested to improve local Sinotruk assemblies.

Good customer handling, giving honest answer, giving prolonged warranty service to build trust, being transparent, giving technical support, assembling Sinotruk using by high professionals. Giving detail information about locally assembled Sinotruk helps consumer to consider purchase of locally assembled Sinotruk. Quality of locally assembled Sinotruk is set by from information collected from reference group, specially brokers. Most of brokers in Ethiopia are not from sector of automotive sector, so the brokers provide biased information to keep they personal interest. Creating awareness to reference group, by giving them technical training and inviting reference group to visit locally Sinotruk assembly plant so that they can grasp the reality about local Sinotruk assembly.

Giving driver training orientation on how to drive and operate Sinotruk are essential requirement for most of customer.

4.8.2 Findings of overall qualitative results

- The tendency to repeat the purchase of locally assembled Sinotruk is high. This reveal that information collected from reference group is biased, are not based on general truth.

- The qualitative research findings also revealed that price factor is insignificant. The reason price factor become insignificant is that price of Sinotruk is high, a difference of price of less than 5% of Sinotruk doesn't affect the decision of purchasing Sinotruk of interest. The current market Sinotruk doesn't have price difference of greater than 5%.
- The factor that highly affect purchase decision of locally assembled Sinotruk is the information collected from reference. Other factor such as after sales service, technical support, duration of warranty period affects purchase decision.
- Some of suggested improvement area in locally assembled Sinotruk are; good customer handling, giving honest information, prolonged warranty services, being transparent about locally assembly process, technical support, using high professionals to assembly Sinotruk, giving drivers orientation on how to operate.

4.9 Discussion of results

This study was aimed at investigating how variables such as the reference group, price, quality, after-sales support, and perceived risk influenced customers' decisions to purchase locally assembled Sinotruk. As a result, this section discusses the research's major results and compares them to those of similar previous research.

Reference Group

From the findings of this research, reference group has positive and significant impact on consumer purchase decision toward locally assembled truck. Previous studies also support the influence of reference group on variation of purchase decision. The findings by Nayeem (2012) showed that friends and family are the most significant information sources for Asian-born consumers. But research done by Tesafa (2018) on factors affecting consumer automobile preference of international brand versus local brand: the case of Arada sub-city, she conclude that reference

group has neutral influence towards consumer preference. The find from qualitative research also support the impact of reference group to be significant and positive toward buying behavior.

Price Factor

Research done by Yilma (2018), Ayele (2019), Tefesa (2018) on consumer buying behavior towards locally assembled automobile in Ethiopia. All concluded that price has negative and significant impact on purchase decision. But the form descriptive analysis, correlation analysis, regression analysis and qualitative findings of this research all resulted that price had insignificant influence on buying decision towards locally assembled Sinotruk. According to qualitative finding price become insignificant factor since small price difference of not greater than 5% doesn't have enough power to make customer change their mind in purchasing locally assembled Sinotruk.

Quality

From regression analysis and qualitative findings resulted that perceived quality toward locally assembled truck affect customer purchase decision positively. The same way research done by Yilma (2018), Ayele (2019), Tefesa (2018) on consumer buying behavior towards locally assembled automobile in Ethiopia supported that quality has positive and significant influence towards purchase decision of locally assembled automobile.

Aftersales Service

According to study conducted by Ahmed and Sanatullah (2011), the ease of access to experts, spare parts, and customization services has a favorable, significant influence on consumer purchasing decisions. The same way the result of this research also support that aftersales service has positive and significant influence toward purchase decision of locally assembled Sinotruk.

Perceived risk

According to Tesafa (2018) research done on factors affecting consumer automobile preference of international brand versus local brand: the case of Arada sub-city, she conclude that the perceived risk for international brand is low compared to local brand, that perceived risk has negative and significant impact on purchase decision. Likewise, the find finding of descriptive analysis resulted that perceived risk had second largest mean value of 4.16 that means perceived risk the second factor that influence purchase decision.

But the find from correlation analysis and regression analysis presented that perceived risk had negative but insignificant influence on purchase decision of locally assemble Sinotruk. The same way from qualitative analysis it was found that there is no concert reason any type perceived risk is available. Only biased word of mouth is available because the tendency to repeat purchase is high.

CHAPTER FIVE

Summary, conclusion and recommendation

Introduction

In this chapter, summary of research finding is presented. Conclusion and recommendation of are also presented. The main purpose of this research was to explore the effect of reference group, price factor, quality, aftersales service and perceived risk on customer purchase decision on locally assembled Sinotruk. In recommendation section, recommendation given by experts, broker, customers and marketing manager in truck industry is presented additionally to research findings.

5.1 Summary

This research study used both qualitative and quantitative methods. Mixed methods research (MMR) collects and combines quantitative and qualitative data into a single study, which may lead to a more thorough knowledge of the topic being studied (Leavy, 2017). To understand the complex customer behavior, this research come up with independent variables; reference group, price factor, quality, aftersales service and perceived risk on consumer purchase decision on locally assembled Sinotruk. To answer research question and to meet the objective of the research both quantitative and qualitative was used. Quantitative research was done first, and then to answer some of unexpected research findings in quantitative result, qualitative research was used.

In quantitative research section both descriptive and inferential analysis was used. This research used both online survey and questionnaire distribution to respondents for quantitative analysis purpose. A total of 200 questionnaires were distributed for quantitative research, and only 170 were returned. From 170 only 154 were usable for statistical analysis.

The maximum percentage of these respondents are of age more than 49 years (31.8%), and 61% of them were male with educational background of not related to automotive (68.2%) that earn average income of 30,001-100,000 birr per month (42.8%) and where 78.6% of them have never owned a truck.

The most desired pre-purchase information search duration was 15-30 days (50%) where the most preferred information source was from professional experts which are 57.8 % of the five-option provided. Generally, 24% of respondents preferred to purchase locally assembled Sinotruk and 76% of them preferred to purchase imported Sinotruk.

The regression result revealed that from independent variables; reference group, price factor, quality, aftersales service and perceived risk only reference group, quality and aftersales service had positive and significant effects on dependent variable (Purchase decision) at confidence level of 95%. Adjusted R square = 0.614, which means independent variables in this model explains 61.4% of the model. The other variables which are not included in this study contribute 38.6% in variation of dependent variable (purchase decision). model of regression model is presented as

$$\mathbf{LNBB = 0.403 + 0.573LNRG + 0.018LNPF + 0.167LNQ + 0.253LNASS - 0.018LNPR + \epsilon.}$$

According to standard beta coefficients, the highest influence for variation of purchase decision is contributed by reference group (57.3%) and the second is by aftersales service (25.3%) and the last by quality (16.7%).

In qualitative research, narrative method is used to present data and result. The major concern for this section was to understand why price factor become insignificant. The qualitative research findings also revealed that price factor is insignificant. The reason price factor become

insignificant is that price of Sinotruk is high, a difference of price of less than 5% of Sinotruk doesn't affect the decision of purchasing Sinotruk of interest. The current market Sinotruk doesn't have price difference of greater than 5%.

5.2 Conclusion

The main goal of this research was to explore effects of independent variable; reference group, price factor, quality, aftersales service and perceived risk on purchase decision of locally assembled Sinotruk. The following conclusion was drawn.

The research findings showed that reference group ($P=0.00 < 0.05$, $\beta=0.573$) had positive and significant effect at 95% confidence level on variation of dependent variable (purchase decision). This implies that recommendation given by reference group increases the buyer's chance of buying locally assembled truck by 57.3% on average for each percent increase of recommendation given by reference group while keeping other variables constant. Previous studies also support the influence of reference group on variation of purchase decision. The findings by Nayeem (2012) showed that friends and family are the most significant information sources for Asian-born consumers.

Price factor had insignificant effect on purchase decision of locally assembled Sinotruk ($P=0.735 > 0.05$, $\beta=0.018$) at 95% confidence level. This implies that price has insignificant effect on buyer's chance of buying locally assembled truck as price difference in Sinotruk is not more than 5%, Sinotruk purchaser does not change their purchase decision due this price difference.

Quality attitude toward locally assembled Sinotruk affect customer purchase decision positively and significantly ($P=0.002 < 0.05$, $\beta=0.167$) at 95% confidence level. This implies that quality

increases the buyer's chance of buying locally assembled truck by 16.7 % on average for each percent of improvement on quality keeping other variables constant. According to research done by Addisu (2017); Mohammed (2020); Tesafa (2018) ; Yilma (2018) approve that quality is one of factor that affect consumer behavior in purchasing locally assembled vehicles.

Availability of after sales service positively and significantly affect consumer purchase decision ($P=0.000 < 0.05$, $\beta=0.253$) at 95% confidence level. This implies that availability of after sales service increases the buyer's chance of buying locally assembled truck by 25.3 % on average for each percent of improvement on after sales service keeping other variable constant. According to study conducted by Ahmed and Sanatullah (2011), the ease of access to experts, spare parts, and customization services has a favorable, significant influence on consumer purchasing decisions.

Perceived risk had insignificant effects on consumer purchase decision of locally assembled Sintruk ($P=0.727 > 0.05$, $\beta= -0.018$) at 95% confidence level. This implies that Perceived risk has insignificant effect on buyer's chance of buying locally assembled truck.

5.3 Recommendation and future research suggestion

Both regression and qualitative result revealed that from 5 independent variables; reference group, price factor, quality, aftersales service and perceived risk only 3 factors (reference group, quality and aftersales service) had positive and significant effects on dependent variable (Purchase decision) at confidence level of 95%. Adjusted R square = 0.614, which means independent variables in this model explains 61.4% of the model. Based on analysis and conclusion made the following recommendation is suggested. Recommendation of qualitative research given by experts, broker, customers and marketing manager in truck industry is presented additionally to research findings.

- Good customer handling, treating customer with respect and showing them how much you care about them will improve purchase decision of locally assembled Sinotruk.
- Giving honest information, being honest about product, if there is an uncertainty about the product telling the customer the reality will enable them to make good decision.
- Prolonged warranty services, giving long time warranty service show how local assemblers are confident about their products and that will build confidence for buyers also.
- Being transparent about locally assembly process, most of local assembler are not willing to show their assembly plants. Letting customer observe how Sinotruk is assembled from start to final stage will enable customer to understand reality about Local assembly, by doing this biased information from brokers will be reduced.
- Technical support, giving drivers orientation on how to operate before delivering the truck and also following the status sold trucks periodically. Giving technical advice whenever it is found necessary.
- using high professionals to assembly Sinotruk, giving continuous training for truck assembly workers and continuous assessment on the capacity of workers.

The regression result revealed that from 5 independent variables; reference group, price factor, quality, aftersales service and perceived risk only 3 factors (reference group, quality and aftersales service) had positive and significant effects on dependent variable (Purchase decision) at confidence level of 95%. Adjusted R square = 0.614, which means independent variables in this model explains 61.4% of the model. The other variables which are not included in this study contribute 38.6% in variation of dependent variable (purchase decision). Therefore, variables like brand image, advertisement, creating awareness are addition area to be researched for future.

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Appendix 1 English Questionnaire

Survey Questionnaire

Consumer behavior towards locally assembled truck

Dear respondents

I would like to thank you for sacrificing your precious time to respond to my questionnaire. This survey is a component of the study to examine consumer behavior toward locally assembled SINO-TRUK. In order for me to fully comprehend this current problem, your replies are crucial.

To fill this questionnaire, it may take you about ten minutes. Your reply will remain confidential throughout the study, your response will only be used as the main data set for my research for partial fulfillment of master of degree in Masters of Business Administration at Addis Ababa University, Faculty of Business and Economics. Please return the completed questionnaire to me within one week, I would like to express gratitude for your kind cooperation in advance!

Part one: General information

1. Age

20- 29.

30-39.

40-49

More than 50.

2. Gender

Male.

Female.

3. Your Educational background or experience.

Related to Automotive.

Not related to Automotive

4. Your average current monthly income in birr?

0- 15,000.

15,001-30,000.

30,001-60,000

60,001- 100,000

100,001-200,000

More than 200,000.

5. Do you own a Truck?

Yes.

No.

6. How long do you collect pre-purchase information when you want to purchase truck?

0-14 days

15-30 days

31-60 day

61-120 days

121-365 days

More than 365 days

7. What is the main source from which you get to know about trucks for purchase?

Social Media (Facebook, Tiktok, Telegram, Instagram, and others).

Friend and family.

Truck Brokers.

Professional expert.

Others, specify _____

8. Which one do you prefer purchasing, the same model and year of manufacturing with the same price?

Locally assembled SINOTRUK.

Imported SINOTRUK.

Part Two: please tick in the box you choose.

SN	Factors	Strongly Disagree	Disagree	Neutral	Agree	strongly Agree
Reference Group		1	2	3	4	5
RG1	I seek information from those who work in the truck Industry when I am about to purchase locally assembled truck.					
RG2	I search information about various locally assembled truck from a professional and independent group of experts.					
RG3	My choice of truck is influenced by other's word of mouth.					
RG4	I collect information about locally assembled truck from friends, neighbors, relatives or colleagues (such as how locally assembled and imported truck of the same brand differs).					
RG5	I tend to choose truck that enhance my image in other's eyes.					
RG6	I often read online product reviews to know what type of truck make bad impression on customer.					
RG7	Buying locally assembled truck, make me accepted by my friends and family					
RG8	I buy locally assembled truck if it is recommended by family and friends (previously experienced person)					

Price Factor		1	2	3	4	5
PF1	I prefer to buy locally assembled trucks because its price is relatively low compared to imported truck.					
PF2	I prefer to buy locally assembled trucks because its resale value has no difference with imported one.					
PF3	I prefer to buy locally assembled trucks because its spare parts price is lower than imported one.					
Quality		1	2	3	4	5
Q1	Locally assembled SINOTRUK are not of acceptable quality.					
Q2	Locally assembled SINOTRUK are not as reliable as imported one.					
Q3	Locally assembled SINOTRUK are not durable.					
Q4	There is workman-ship quality problem on locally assembled trucks.					
After sales service		1	2	3	4	5
ASS1	I prefer to buy a certain truck because of the best maintenance service I get from the seller (convenient and quick after sales service).					
ASS2	I prefer to buy truck because of the availability of warranty.					
ASS3	Technical support of locally assembled SINOTRUK is not sufficient.					

ASS4	Availability of spare parts is an important factor.					
Perceived risk		1	2	3	4	5
PR1	I would buy a locally assembled truck if there is a credit facility since credit payment reduces financial risk.					
PR2	The financial risk attributed to locally assembled truck is high.					
PR3	The performance risk attributed to locally assembled truck is high.					
Buying Behavior		1	2	3	4	5
BB1	My decision to buy locally assembled SINOTRUK is determined by recommendations I get from others.					
BB2	My decision to buy locally assembled SINOTRUK is determined by price factor.					
BB3	My decision to buy locally assembled SINOTRUK is determined by quality factor.					
BB4	My decision to buy locally assembled SINOTRUK is determined by after sales service offered.					
BB5	My decision to buy locally assembled SINOTRUK is determined by perceived risk.					

Appendix 2 Amharic Questionnaire

የፅሁፍ መጠይቅ

ደንበኛው ሀገር ውስጥ ስለሚገጣጠም የጭነት መኪና ያለው ባህሪ

ውድ የመጠይቁ ተሳታፊዎች

ይህንን ፅሁፍ መጠይቅ ለመሙላት የተከበረ ጊዜዎን ስለሰጡኝ ከልብ አመሰግናለሁ። ይህ መጠይቅ የተዘጋጀው ለአዲስ አበባ ዩንቨርሲቲ የቢዝነስና ኢኮኖሚክስ ፋኩልቲ ለቢዝነስ አድሚኒስትሬሽን ማስተርስ ፕሮግራም ትምህርታዊ የመመረቅያ ጥናት ፅሁፍ ለማዘጋጀት ሲሆን፣ ጽሁፉም መሰረት ያደረገው የመኪና ገበያ ደንበኛ ሀገር ውስጥ ስለሚገጣጠም ሲኖ ትራክ (SINOTRUK) መኪና ያለውን ባህሪ ለመመዘን የተዘጋጀ ነው። መጠይቁን ለመሙላት እስከ 10 ደቂቃ የሚሆን ጊዜ የሚወስድ ሲሆን የእርስዎ ምላሽ ለጥናታዊው ጽሁፍ በጣም ጠቃሚ ነው። ከመጠይቁ የሚገኘው መረጃ ለትምህርታዊ ጥናታዊ ፅሁፍ ብቻ እንደሚውል እያረጋገጥኩ መጠይቁን ሞልተው ከአንድ ሳምንት ባልበለጠ ጊዜ ውስጥ እንዲመልሱልኝ ስል በትህትና እጠይቃለሁ።

አጠቃላይ መረጃ

1. እድሜ

- 20- 29.
- 30-39.
- 40-49
- ከ49 በላይ

2. ፆታ

- ወንድ
- ሴት

3. የትምህርት አይነት

- ከመኪና ጋር የተያያዘ
- ከመኪና ጋር ያልተያያዘ)

4. አማካኝ ወርሀዊ ገቢ በብር

O. 0- 15,000.

O. 15,001-30,000.

O. 30,001-60,000

O. 60,001- 100,000

O. 100,001-200,000

O. ከ200,000 በላይ

5. የጭነት መኪና ባለቤት ነዎት?

O .አዎ

O .አይ

6. የጭነት መኪና መግዛት ሲፈልጉ ለምን ያህል ጊዜ መረጃዎችን ይሰበስባሉ?

O .0-14 ቀናት

O .15-30 ቀናት

O .31-60 ቀናት

O . 61-120 ቀናት

O . 121-365 ቀናት

O. ከ365 ቀናት በላይ

7. የጭነት መኪና መግዛት ሲፈልጉ መኪናው የተመለከተ መረጃ ከየት ያገኛሉ?

O . ከማህበራዊ ድህረ ገጾች (ምሳሌ ፊስ ቡክ፣ ቲክቶክ፣ ቴሌግራም፣ ኢንስቴግራም እና ሌሎች

O . ከጎደኛና ቤተሰብ

O. ከመኪና ደላሎች

O. ከ መኪና ባለሙያ)

O. ሌሎች፣ ቢገለፅ_____

8. የትኛውን መኪና መግዛት ይመርጣሉ በተመሳሳይ ሞዴል፣ በተመሳሳይ የምርት ዘመን እና ዋጋ

ቢቀርብልዎት?

O. አገር ውስጥ የተገጣጠመ ሲኖ ትራክ መኪና

O . ከውጭ ሀገር የገባ ሲኖ ትራክ መኪና

Part Two: please tick in the box you choose.

SN	ጉዳይ	በጽኑ አልስማማም	አልስማማም	መካከለኛ	እስማማለሁ	በጣም እስማማለሁ
የማጣቀሻ ቡድን		1	2	3	4	5
RG1	ሀገር ውስጥ የሚገጣጠም የጭነት መኪናዎች መግዛት ሳስብ የጭነት መኪና መገጣጠሚያ ድርጅት ውስጥ ከሚሰሩ ሰዎች ስለመኪናው መረጃ እጠይቃለሁ ።					
RG2	ስለተለያዩ የሀገር ውስጥ የተገጣጠሙ የጭነት መኪና መረጃዎችን ከገለልተኛ ባለሙያዎች ቡድን መረጃ እጠይቃለሁ ።					
RG3	የምገዛው የጭነት መኪና ምርጫ በሰዎች አስተያየት ይወሰናል ።					
RG4	ሀገር ውስጥ ስለሚገጣጠሙ የጭነት መኪናዎች መረጃ ከቤተሰቦቼ፣ ከጎደኞቼ፣ ከዘመድና ከስራ ባልደረቦቼ መረጃን እሰበስባለሁ (ለምሳሌ ሀገር ውስጥ የተገጣጠመ መኪናና ከውጭ የገቡ መኪናዎች ልዩነትና አንድነት።)					
RG5	በሌሎች ሰዎች አይን ግርማ ሞገስ የሚሰጠኝን የጭነት መኪና አይነት እመርጣለሁ።					
RG6	የትኛው አይነት የጭነት መኪና መጥፎ ነው ወይም ጥሩ ነው የሚለውን ለመለየት ስለምርቱ በሌሎች ደነበኞች የተፃፈ የመስመር ላይ የምርት ግምገማዎችን (አንዳይን ረቢው) አነባለሁ።					

RG7	በአገር ውስጥ የተገጣጠሙ የጭነት መኪና መግዛት በጓደኞች እና በቤተሰብ ተቀባይነት እንዲኖረኝ አድርጎልኝ።					
RG8	ሀገር ውስጥ የሚገጣጠም መኪናን በጎደኞችና ቤተሰቦች ወይም ከዚህ በፊት ልምድ ካለው ሰው እንድንገዛ ከተመከርኩ እገዛለሁ።					
የዋጋ ጉዳይ		1	2	3	4	5
PF1	ከውጭ ሀገር ከሚገባው የጭነት መኪና አንፃር ሀገር ውስጥ የሚገጣጠም የጭነት መኪና በዋጋ አነስተኛ ስለሆነ ሀገር ውስጥ የሚገጣጠም የጭነት መኪናን እመርጠዋለሁ።					
PF2	በአገር ውስጥ የተገጣጠሙ የጭነት መኪናዎችን መግዛት እመርጣለሁ ምክንያቱም መልሶ የመሸጫ ዋጋው ከውጭ ከሚመጣው ጋር ምንም ልዩነት የለውም።					
PF3	ሀገር ውስጥ የሚገጣጠም የጭነት መኪና የመለዋወጫ እቃ መግዣ ዋጋ አነስተኛ ስለሆነ ሀገር ውስጥ የሚገጣጠም መኪናን መግዛት እመርጠዋለሁ።					
ጥራት		1	2	3	4	5
Q1	ሀገር ውስጥ የሚገጣጠም ሲኖ ትራክ መኪናዎች ጥራት አነስተኛ ነው።					

Q2	ሀገር ውስጥ የሚገጠጡ ሲኖ ትራክ መኪናዎች ከውጭ እንደሚገቡት ሲኖ ትራክ መኪናዎች አስተማማኝ አይደሉም ።					
Q3	ሀገር ውስጥ የሚገጠጡ ሲኖ ትራክ መኪናዎች ለረጅም ጊዜ አያገለግሉም ።					
Q4	በአገር ውስጥ የተገጠመ የጭነት መኪና ላይ በሠራተኛ አሰራር የሚመጣ የጥራት ችግር አለ።					
ድህረ ሽያጭ ጥገና አገልግሎት		1	2	3	4	5
ASS1	ከመኪና ሸጭ በማገኘው ጥሩ የጥገና (የሜንቴናንስ) አገልግሎት መሰረት የጭነት መኪና መግዛት እመርጣለሁ (ምቹ እና ፈጣን የድህረ ሽያጭ ጥገና አገልግሎት)።					
ASS2	የዋስትና (ዋራንቲ) አገልግሎት ያለው የጭነት መኪናን መግዛት እመርጣለሁ።					
ASS3	በአገር ውስጥ የሚገጠጡ የሲኖ ትራክ ቴክኒካል ድጋፍ በቂ አይደለም።					
ASS4	የመለዋወጫ እቃዎች መኖር አስፈላጊ መመዘኛ ነው ።					
የአደጋ ስጋት		1	2	3	4	5
PR1	ሀገር ውስጥ ለተገጠመ የጭነት መኪናዎች የብድር አገልግሎት ካለ የፋይናንሺያል ስጋትን (አደጋን) ስለሚቀንስ የሀገር ውስጥ መኪናን እገዛለሁ ።					

PR2	በአገር ውስጥ የተገጣጠሙ የጭነት መኪናዎች የፋይናንስ ስጋት (አደጋ) ከፍተኛ ነው					
PR3	በአገር ውስጥ የተገጣጠሙ የጭነት መኪናዎች የአገልግሎት ብቃት የሚመነጭ ስጋት (አደጋ) ከፍተኛ ነው።					
የግዢ ባህሪ		1	2	3	4	5
BB1	በአገር ውስጥ የተገጣጠሙ ሲኖ ትራክ ለመግዛት የእኔ ውሳኔ የሚወሰነው ከሌሎች ባገኘሁት ምክር ነው።					
BB2	በአገር ውስጥ የሚገጣጠም ሲኖ ትራክ ለመግዛት የእኔ ውሳኔ የሚወሰነው በዋጋ ሁኔታ ነው።					
BB3	በአገር ውስጥ የሚገጣጠም ሲኖ ትራክ ለመግዛት የእኔ ውሳኔ የሚወሰነው በጥራት ደረጃ ነው።					
BB4	በአገር ውስጥ የሚገጣጠም ሲኖ ትራክ ለመግዛት የእኔ ውሳኔ የሚወሰነው በቀረበው የድህረ ሽያጭ ጥገና አገልግሎት ነው ።					
BB5	በአገር ውስጥ የተገጣጠሙ ሲኖ ትራክን ለመግዛት የእኔ ውሳኔ የሚወሰነው ያለውን አደጋ ወይም ስጋትን በመመልከት ነው።					

Appendix 3. Pearson Correlation Matrix

Correlations

		LNBB	LNRG	LNPF	LNQ	LNASS	LNPR
Pearson Correlation	LNBB	1.000	.741	.151	.194	.655	-.095
	LNRG	.741	1.000	.229	-.018	.655	-.045
	LNPF	.151	.229	1.000	-.102	.070	-.078
	LNQ	.194	-.018	-.102	1.000	.145	-.150
	LNASS	.655	.655	.070	.145	1.000	-.097
	LNPR	-.095	-.045	-.078	-.150	-.097	1.000
Sig. (1- tailed)	LNBB	.	.000	.030	.008	.000	.121
	LNRG	.000	.	.002	.412	.000	.289
	LNPF	.030	.002	.	.103	.193	.167
	LNQ	.008	.412	.103	.	.036	.032
	LNASS	.000	.000	.193	.036	.	.115
	LNPR	.121	.289	.167	.032	.115	.
N	LNBB	154	154	154	154	154	154
	LNRG	154	154	154	154	154	154
	LNPF	154	154	154	154	154	154
	LNQ	154	154	154	154	154	154
	LNASS	154	154	154	154	154	154
	LNPR	154	154	154	154	154	154

Appendix 4 Regression model result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	.403	.099		4.049	.000	.206	.599		
LNRG	.477	.057	.573	8.303	.000	.364	.591	.529	1.892
LNPF	.008	.022	.018	.340	.735	-.037	.052	.922	1.084
LNQ	.071	.022	.167	3.210	.002	.027	.115	.931	1.074
LNASS	.209	.057	.253	3.697	.000	.097	.321	.540	1.852
LNPR	-.018	.050	-.018	-.350	.727	-.117	.082	.963	1.038

a. Dependent Variable: LNBB