



Determinant Factor of Automobile Brand Choice

(The case of Ethiopian Automotive Dealers Market)

Addis Ababa University

College Of Business and Economics

School Of Commerce

Department Of Marketing Management

Graduate Program Unit

Prepared By: Sisay Alemayehu

Advisor: Tewodros Mesfin (PhD)

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APPROVAL SHEET

Addis Ababa University School of Commerce, Graduate Studies Program

Department of Marketing Management

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By: Sisay Alemayehu

Approved by Board of Examiners

_____	_____	_____
Advisor	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date
_____	_____	_____
External Examiner	Signature	Date

Statement of Certification

This is to certify that Sisay Alemayehu has carried out his research work on the topic entitled **“Determinants Factors of Automobile Brand Choice: In the case of Ethiopian Automotive Dealers Market)”** and that this is his original work and is suitable for submission for the award of Master’s Degree in Marketing Management.

Advisor: Tewodros Mesfin (PhD)

Signature _____

Date _____

Declaration

I, Sisay Alemayehu, hereby declare that the thesis entitled “Determinants Factors of Automobile Brand Choice: In the case of Ethiopian Automotive Dealers Market” submitted by me to the Addis Ababa University School of Commerce is my own and that it has not been submitted previously to any other institution including this University nor has been published at any time before.

I also certify that the thesis has been written by me and that any help that I have received in doing my research work and in the preparation of the thesis itself has been duly acknowledged. In addition, I certify that all information sources and literatures used are indicated in the reference part of this thesis.

Declared by:

Name: _____

Date: _____

Signature: _____

Confirmed by Advisor:

Name: _____

Date: _____

Signature: _____

Approved by Examiner:

Name: _____

Date: _____

Signature: _____

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Acronyms

ANOVA -----**Analysis of Variance**

CEM-----**Customer Experience**
Management

ECR -----**Efficient Consumer Response**

MRI-----**Marketing Research**
Information

R&D-----**Research and Development**

SPSS -----**Statistical Package for Social**
Science

TCV-----**Theory of consumption values**

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Abstract

The Ethiopian automobile sector has emerged as one of the significantly developing and growing sectors in the last decade. The automobile industry of Ethiopia has witnessed a tremendous growth in all sections, right from two wheelers, three wheelers, trucks and passenger car segment. The study assess factors that influence brand choice with a sample size of 300 respondents was selected using convenience sampling technique. The research paper explored the proposition that brand choice behavior is influenced by five consumption values, these being functional, social, emotional, conditional and epistemic values using SNG (1991a) theory of consumption values model. Based on the theoretical frame work and objectives of the study 26 items were provided in a 5 point Likert scale to the respondents. The gathered data were analyzed by descriptive and inferential statistics. The correlations between determinants of brand choice and consumer preferences are also empirically tested. All possible correlations between determinants of brand choice and consumer preferences are also empirically tested. The purpose of this paper is to identify determinant automobile brand preference on the selected six dealer's brand. Among the determinant factors, brand name, attributes, emotional connection, image, spare part, accessibility, and price are found out to be significant determinant of brand preference while external influence are found to be insignificant in determining brand preference. In general, dealers this segment market should provide brand that has sell with reasonable price, has to also focus on vehicles attributes, provide better maintenance, also give much more focus on advertisement connection and image of the car and emotional connection.

Key words: Brand, Brand preference, and Automobile Industry, and Dealer

CHAPTER ONE

1.1 INTRODUCTION

This chapter comprehend the background of the study, statement of the problem, research questions, and objective of the study, significance of the study, scope of study, limitations of the study, organization of the research report and definitions of key terms

1.2 Background of the Study

The word brand comes from the Old Norse brandr, meaning to burn, and from these origins made its way into Anglo-Saxon. It was of course by burning that early man stamped ownership on his livestock, and with the development of trade buyers would use brands as a means of distinguishing between the cattle of one farmer and another. A farmer with a particularly good reputation for the quality of his animals would find his brand much sought after, while the brands of farmers with a lesser reputation were to be avoided or treated with caution. Thus, the utility of brands as a guide to choose was established, a role that has remained unchanged to the present-day John Wiley & Sons (2013).

So, what exactly is branding? Kotler (1999), defines branding as a “*name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.*”

Feldwick (1995) furthers the concept of differentiation that Kotler (1999) touches on, by comparing a brand to “*a recognizable and trustworthy badge of origin and a promise of performance.*”

His research emphasizes the relationship between the product and the consumer as being instrumental to the branding process and the positioning of offerings within the social environment. He considers that a brand reflects a company’s intangible guarantee that the product will meet consumers’ expectations. So far, the above-mentioned literature restricts the effects of branding to a consumer’s interpretation of how a specific brand relates to his or her personality based traits. Macrae (1996) however, elaborates by introducing the additional element of “Brand Essence”, which he defines as being the soul or very reasons for being of a company. Macrae (1996) furthers this definition, by stating that a company

must consider its own employees with the same importance as its targeted consumers, because both are of equal importance. He justifies this by shedding light on the fact that it is the employees that promote the products or services in direct sales situations, not the company. This concept of branding establishes a clear link between a company's internal working with the outside world of consumers, via their brand.

Branding has emerged as a significant feature of contemporary marketing strategies and is now considered a key organizational asset (Kotler, 2000). The relationship between the consumer and the brand is very important for the success and existence of the brand in the market place (Randall, 2000, p.3). Indeed, the automotive industry is at the forefront of building strong brands and leveraging these for competitive ends. Obviously, branding is so critical in the automotive industry that car companies usually hire multiple brand managers as well as external brand consultants to continually assess the health of their brands (Green, 2010). Moreover, car companies spend significant sums of money every year on different brand building efforts (Chatterjee et al., 2002).

The automotive industry is a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles. It is one of the world's most significant economic sectors. The core automotive industry (vehicle and parts makers) supports a wide range of business segments, both upstream and downstream, along with adjacent industries.

This leads a multiplier effect for growth and economic development. Furthermore, R&D and innovation within automotive can benefit other industries. Basically, this is why it is considered as an important measure to gauge industrial extents of a country in broad. Athar (2006) and Nareth et al. (2012) described that for the automotive industry, there are many brand choices to compare. Therefore, dealers have a lot to do in understanding customers' preference and choice, and satisfying the customers as per their presences. Therefore, this study attempts to examine the finding regarding factors determining customers brand choice and their relationships in the selected brand (*Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot*).

1.3 Statement of the Problem

The current global automotive industry is highly competitive, with manufacturing capacity far exceeding current demand (Shen, Bei, & Chu, 2011). Moreover, due to current economic conditions, due to the emergence of globalization and liberalization there is a stiff competition among the automobile industries which are focusing attention in capturing the automotive markets. An automobile is no more considered as luxury once, now occupies a part of day-to-day life and has become a necessity. Customers have now changed their attitude that yesterday's luxuries are today's necessities. To be a successful marketer it is absolutely essential to study the perceptions of the prospective buyers and track their drivers of those perceptions. The understanding and analysis of consumer behavior gains more and more in literatures. Although, automobile dealer or agents regarding automobile brand choice is not satisfactorily studied in Ethiopian dealer's market. Indeed, this study will analyses why consumers use some dealer's brand rather than others.

The dominance of few big players in the automobile industry, as well as other factors, the automobile industry is no exception to the increasingly competitive in Ethiopia, which corporations have to face nowadays. The tremendous amount of pressure and competition can be seen in aggressive pricing strategies, cash rebates, and incentives for dealers throughout the car-selling business worldwide (Löffler& Decker, 2012).

Another consequence of the cost pressure is the use of similar product bases and common platforms for different car models and even different brands, which significantly increases product similarity (Hirsch, Kakkar, Singh & Wilk, 2015). In order, not to have to compete solely on price and to be able to achieve distinction between the similar car models, it is important for corporations to find differentiating factors.

Empirical studies have been conducted regarding the brand preference by many scholars like (Rogers, 1995; Mason, 1990) in their study explained how consumers form preferences for various goods and services using theories of adoption. Ravichandran.K, and Narayanarajan.S

(2004) studied factors determining the brand preference of consumer durables. They concluded that the study with brand preference of consumer durables is largely influenced by a number of factors such as advertisement, price, quality, performance, availability of spares, and after-sales service in this study the researcher focused, how the consumers are

taking decision or what are the factors contributing to purchase a particular brand of passenger car.

1.4 Research Questions

1.4.1 Main Research Question

1. How does customer automobile brand choice influence by the determinant factors?

1.4.2 Research Question

RQ1: What are the determinant factors for *Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot* brand choice in Addis Ababa?

RQ2: Which of these factors are related with dealers and should be considered at dealer level?

1.5. Research Objectives

1.5.1 General Objective

The general objective of the study is to identify the determinant factors that influence automobile owners' brand choice.

1.5.2 Specific Research Objectives

1. To examine the automobile brand choice in the automobile retailer's market in Addis Ababa.
2. To examine the automobile safety, comfort, and reliability that influence customer's brand choice.
3. To find out the emotional connection of the customers with automobile brand choice
4. To analyze the effect of brand image on customer automobile brand choice.
5. To find out the influence of spare part on customer on brand choice.
6. To analyze the effect of brand image on customer automobile brand choice.
7. To examine the effect of dealer's accessibility to customers in the choice of automobile brand choice.

8. To analyze the effect of price on customer automobile brand choice
9. To examine the external influence in the automobile brand choice.

1.6. Significance of the Study

The first reason is that car purchases represent significant investments for car buyers (Haddock & Tse, 2007). Consequently, car buyers are analytical in their car buying decisions, carefully assessing alternative offers against a set of relevant attributes like price, safety and reliability (Hirsh et al., 2003). Due to the proliferation of technologically convergent car products in the market place, however, car buyers are increasingly faced with a vast array of similar alternatives (Tay, 2003). This, combined with car buyers' analytical evaluation of alternatives, calls for the existence of a sharp differentiation strategy in the market place (Hirsh et al., 2003; Tay, 2003). This is where brands, with their unique symbolic and imagery functions, come into play (Fournier, 1998; Keller, 2003). Therefore, the study findings give insight for dealers about automobile brand determinant factors.

1.7. Scope of the study

Because of business nature of retailer automobile market is concentrated in Addis Ababa. Furthermore, Addis Ababa is the capital city of Ethiopia and the major economic city. The automobile retail market found concentrated in Addis Ababa. Therefore, this study was confined on the widely distributed the retailer's (Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot) customer in Addis Ababa.

1.8. Limitation of the study

As a result of the homogeneity nature of the automobile retailer's market only six brand categories were selected (Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot). Choosing only six brand automobile brands and second-hand may limit the generalization of the findings. It was possible that other population groups would have delivered different results. Therefore, the findings of this study cannot be generalized to the whole automobile retailer's market.

1.9. Organization of the study

This subsection outlines the entire study in a concise manner. The first chapter starts off by conveying the introduction of branding in especially on automotive. And in order to deal with this competition brand building became important. Then this background study

follows by problem statement, which identified gaps in the current literature and forward research questions. Following the research questions the objective of the study develop and the significance, scope and delimitation of the study.

The second chapter gives the definition of a brand and what meant. Then it continued with the different dimensions of customer brand determinant factors theoretical review. This review follows by empirical review, which gives rise to the conceptual framework that gives the basis for the hypotheses proposed by this study.

The third chapter dedicates for the methodology part of the study, which explain about the research design, sampling techniques and data collections techniques that employ and the means with which the collected data were analyzed.

The fourth chapter deals with the data analysis and explain the major findings and tests the hypotheses.

The fifth and final chapter summarizes, conclude and recommend based on the findings of the data analysis. Also, the limitations of this work and future research areas indicated in this chapter.

1.10. Definition of Terms

Brand: Branding is a primary function of advertising through which a company tries to reach its target audience. A brand can also be defined as the value in the mind of the consumer. It is also the output of marketing communication activities, which has to be managed throughout the brand life cycle. Moreover, a brand is a set of attributes that have a meaning to the consumer and create associations with the product or service (Picktin, Broderick, 2004, p, 250). According to Aaker, a brand is a name or a symbol to identify or differentiate goods or services from competitor brands (Aaker, 1991).

Brand Preference: the word preference means the desirability or choice of an alternative. Above all preferences are behavioral tendencies (Zajonc and Markus, 1982).

Celebrities: are people that exert significant influence in several facets of society, raining form arts, music, movies and television, sport, culture, politics and even religion Friedman and Friedman, 1979)

Brand Equity: Back in the late 1980s, an explosive idea emerged that said brands are considered assets and therefore have their own equity. Brand equity consists of the marketing effects uniquely attributable to a brand. That is why different outcomes result from the marketing of a branded product or service than if the product or service were not branded (Aaker, 2014).

Brand choice: Brand preference is strongly linked to brand choice that can influence the consumer decision making and activate brand purchase. "Brand Preferences can be defined as the subjective, conscious and behavioral tendencies which influence consumer's predisposition toward a brand". Understanding the brand preferences of consumers' will dictate the most suitable and successful Marketing Strategies. One of the indicators of the strength of a brand in the hearts and minds of customers, brand preference represents which brands are preferred under assumptions of equality in price and availability.

Brand Image: Brand Image is what the customers think/perceive (or form an impression) about a particular brand in their mind. Brand Image can be defined as how existing or potential customers view the brand and associate with it. Every company wants to position its brand in a certain way which it deems is the best way for it to be seen by the customers, that is known as Brand Identity. Brand image is something that eventually forms in the mind of the customer. Brand image may be same as brand identity or may be totally opposite. The ideal scenario is that the brand image should be positive and what the company or the manufacturer wants it to be. <http://www.mbaskool.com>

Automotive Industry : The automotive industry is a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles, some of them are called automakers.

https://en.wikipedia.org/wiki/Automotive_industry)

A **car dealership** or vehicle local distribution is a business that sells new or used cars at the retail level, based on a dealership contract with an automaker or its sales subsidiary. It employs automobile salespeople to sell their automotive vehicles. It may also provide maintenance services for cars, and employ automotive technicians to stock and sell spare automobile parts and process warranty claims.

https://en.wikipedia.org/wiki/Car_dealership)

Brand associations are linked sufficiently strongly to the brand will depend on how the marketing program and other factors affect customers' brand experiences (Keller 2003,p.71).

CHAPTER TWO

LITERATURE REVIEW

This chapter includes an insight to the readers about the theoretical framework, empirical review, and conceptual framework of the topic under the study. In line with the objectives of the study, this chapter covers topics related to brand, branding, and brand equity.

2.1. Theoretical Literature Review

2.1.1 Concept of Branding

Branding and brand-based differentiation are powerful means for creating and sustaining competitive advantage. Prior research has examined differences in how consumers perceive and evaluate brands, for example, through investigating brand equity (Keller 1993; McQueen, Foley, and Deighton 1993), brand personality (Aaker 1997; Plummer 1985) and brand extensions (Aaker and Keller 1990; Nakamoto, MacInnis, and Jung 1993). More recently, researchers have noted that consumers differ not only in how they perceive brands but also in how they relate to brands (Fournier 1998; Muniz and O'Guinn 2001). This line of research has suggested that people sometimes form relationships with brands in much the same way in which they form relationships with each other in a social context.

The strategy journal published by the consulting firm Booz-Allen and Hamilton argues that some consumers, termed "brand zealots," experience a relationship that goes well beyond the fulfillment of a functional need (Rozanski, Baum, and Wolfsen 1999). These brand zealots animate the brand giving it quasi-human qualities and relate to it in a way similar to how they relate to human beings. Further, there is abundant anecdotal evidence of people being crazy about some brands.

According to the definition of brand by the American Marketing Association in the 1960's, "A name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors". The Merriam Webster dictionary describes brand as "a class

of goods identified by name as the product of a single firm or manufacturer". A product is something created by labor that can be marketed or sold as a commodity. A brand is created when you take that product and give it special meaning through names, logos or any form of identification that separates one seller's goods or services from their competition (Russell, 2010, p.72).

2.1.2. Brand equity

It is the incremental utility or value added to a product by its brand name, like a Coke, Levi's, Kodak and Nike (Farquhar et al., 1991; Kamakura and Russel, 1993; Park and Srinivasan, 1994). Accordingly, research has suggested that brand equity can be estimated by subtracting the utility of physical attributes of products from total utility of a brand. As a substantial asset to the company, brand equity increases the cash flow to the business (Simon and Sullivan, 1993) and also helps in improving the brand earning by commanding a price premium over its competitive brands (Srinivasan et al., 2005).

According to Aaker (1991), brand equity is a multidimensional concept. It consists of brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. Other researchers also propose similar dimensions. While some researchers propose

Brand loyalty and brand associations, Keller (1993) suggested brand knowledge, comprising brand awareness and brand image. Perceived quality has been defined as consumer's subjective judgment about a product's overall excellence or superiority. Brand loyalty, is a deeply held commitment to rebuy a preferred product or service consistently in the future. It was found that loyal customers show more favorable response to a brand than non-loyal customers. Brand association has been defined as anything linked in the memory of the consumers to a brand, while brand awareness has been defined as accessibility of the brand in the customer's memory (Chattopadhyay et al., 2008). Brand awareness along with strong brand association forms a strong brand image. Brand associations are complicated and connected to one another and consist of multiple ideas, episodes, instances and facts that establish a solid network of brand knowledge. The associations are stronger when they are based on many experiences or exposures to communications, rather than a few (Aaker, 1991). Brand associations, which result in high brand awareness, are positively related to brand equity as they can be a signal of quality

and commitment and help buyer consider the brand at the point of purchase, leading to favorable behavior towards the brand

2.1.3. Branding Approach

Branding approach has been widely accepted by both academic and practitioner researchers (Aaker1991; Kamakura, Russell & Keller 1993; Krishnan 1996). The brand is seen to provide benefits to the customer in both functional needs and emotional needs, while the product can only satisfy the customer's functional needs. A brand is therefore defined as 'a product that provides functional benefits plus added values that some consumers value enough to buy' (Aaker, 1991, p. 1). These values are intangible, invisible and non-functional and are perceptions held in the mind of the consumer (Jone 1999). Stephen King (cited in Aaker 1991) states that, 'A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.'

As a consequence, brands are now seen as the key success factor in order to achieve competitive advantages for firms, through differentiation (Wood 2000). These competitive advantages can be achieved by the brand manufacturer in terms of revenue, profit, added value or market share (Wood 2000). Moreover, the attributes that differentiate brands from other products provide the customer with satisfaction and benefits for which they are willing to pay (Wood 2000). In other words, brands create added value to both firms and customers. Brands play the key role in enhancing the value of products and protecting products from being imitated by competitors (Aaker 1991). Therefore, a strong brand is counted as a valuable asset of a company (Aaker1991).

2.1.4. Purchase Decision Process

In order to assess the importance of the environmental awareness in the car purchase decision, it is necessary to get an insight into the process of purchasing itself. The consumer's decision to purchase a product is a multi-staged process. Kotler (2006) identifies that the consumer will go through five stages. Vehicle purchase behavior fairly complex, as car purchase implies a high level of social and / or psychological involvement. Therefore, the consumer will transit each stage of purchase decision making process.

- a) **Problem Recognition:** In this information processing model, the consumer buying process begins when the buyer recognizes a problem or need. When we found out a difference between the actual state and a desired state, a problem is recognized. When we find a problem, we usually try to solve the problem. In other words, recognize the need to solve the problem.
- b) **Information Search:** When a consumer discovers a problem, he/she is likely to search for more information. Through gathering information, the consumer learns more about some brands that compete in the market and their features and characteristics.
- c) **Evaluation and Selection of Alternatives:** How does the consumer process competitive brand information and evaluate the value of the brands? Unfortunately, there is no single, simple evaluation process applied by all consumers or by one consumer in all buying situations. One dominant view, however, is to see the evaluation process as being cognitively driven and rational. Under this view, a consumer is trying to solve the problem and ultimately satisfying his/her need. In other words, he/she will look for problem-solving benefits from the product. The consumer, then, looks for products with a certain set of attributes that deliver the benefits. Thus, the consumer sees each product as a bundle of attributes with different levels of ability of delivering the problem-solving benefits to satisfy his/her need.
- d) **Decision Implementation:** To actually implement the purchase decision, however, a consumer needs to select both specific items (brands) and specific outlets (where to buy) to resolve the problems. There are, in fact, three ways these decisions can be made: 1) simultaneously; 2) item first, outlet second; or 3) outlet first, item second. In many situations, consumers engage in a simultaneous selection process of stores and brands. Once the brand and outlet have been decided, the consumer moves on to the transaction (“buying”).
- e) **Post-purchase Evaluation:** Post-purchase evaluation processes are directly influenced by the type of preceding decision-making process. Directly relevant here is the level of purchase involvement of the consumer. Purchase involvement is often

referred to as “the level of concern for or interest in the purchase” situation, and it determines how extensively the consumer searches information in making a purchase decision. Although purchase involvement is viewed as a continuum (from low to high), it is useful to consider two extreme cases here. Suppose one buys a certain brand of product as a matter of habit (habitual purchase). For him/her, buying is a very low purchase involvement situation, and he/she is not likely to search and evaluate product information extensively. In such a case, the consumer would simply purchase, consume and/or dispose of the product with very limited post-purchase evaluation and generally maintain a high level of repeat purchase motivation.

2.1.5. Consumer Behavior

Understanding consumer behavior is crucial for: (1) The marketing strategy of companies, their chances of success being bigger when decisions are well founded and aren't made just intuitively, (2) Policy making from the legal authorities, aiming at diminishing or creating behaviors with a positive impact on individuals and the society in general, and (3) The information of the consumers, so that they can understand the strategies and tactics used to influence them and be able to set limits for these influences when necessary.

Some of the definitions of the Consumer Behavior are as follows:

Schiffman and Kanuk (2007) “The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.”

American Marketing Association- “Dynamic interaction of affect and cognition, behavior and the environment by which human beings conduct the exchange aspects of their lives.”

Sheth, Mittal, Newman (1999) - “Consumer behavior is the mental and physical activities undertaken by household and business customers that result in decisions and actions to pay for, purchase and use products and services.”

2.1.6. Brand Relationships

Research has also explored the personal component of the relationship between a brand and its customers. Fournier (1998) examined the nature of relationships that customers have – as well as want to have – with companies (see also Fournier and Yao (1997) and Fournier, et al. (1998)). Fournier views brand relationship quality as multifaceted and consisting of six dimensions beyond loyalty or commitment along which consumer brand Relationships vary: 1) self-concept connection, 2) commitment or nostalgic attachment, 3) Behavioral interdependence, 4) love/passion, 5) intimacy, and 6) brand partner quality. She suggested the following typology of metaphors to represent common customer-brand relationships: 1) arranged marriages, 2) casual friends/buddies, 3) marriages of convenience, 4) committed partnerships, 5) best friendships, 6) compartmentalized friendships, 7) kinships, 8) rebounds/avoidance-driven relationships, 9) childhood friendships, 10) courtships, 11) dependencies, 12) flings, 13) enmities, 14) secret affairs, and 15) enslavements.

2.1.7. Brand Experience

Experiential marketing is an important trend in marketing thinking. Through several books and articles, Schmitt (1999, 2003) has developed the concept of Customer Experience Management (CEM), which he defines as the process of strategically managing a customer's entire experience with a product or company. According to Schmitt, brands can help to create five different types of experiences:

- Sense experiences involving sensory perception,
- Feel experiences involving affect and emotions,
- Think experiences which are creative and cognitive;
- Act experiences involving physical behavior and incorporating individual actions and lifestyles, and
- Relate experiences that result from connecting with a reference group or culture.

2.1.8. Corporate Image and Reputation

Several empirical studies show the power of a corporate brand (Argenti and Druckemiller 2004). Brown and Dacin (1997) distinguish between corporate associations related to corporate ability (i.e., expertise in producing and delivering product and/or service offering) and those related to corporate social responsibility (i.e.,

character of the company with regard to societal issues), such as treatment of employees and impact on the environment.

Keller and Aaker (1992, 1998) define corporate credibility as the extent to which consumers believe that a company is willing and able to deliver products and services that satisfy customer needs and wants (see also Erdem and Swait (2004)). They showed that successfully introduced brand extensions can lead to enhanced perceptions of corporate credibility and improved evaluations of even quite dissimilar brand extensions. They also showed that corporate marketing activity related to product innovation produced more favorable evaluations for a corporate brand extension than corporate marketing activity related to either the environment or, especially, the community (see also Gurhan-Canli and Batra (2004)). In addition, Bhattacharya and Sen (2003) extended the thinking on consumer-brand relationships to consider consumer-company relationships, adopting a social identity theory perspective to argue that perceived similarity between consumer and company identities play an important role in relationship formation.

2.2. Empirical Literature review

Tanmay Chattopadhyay, Shradha Shivani and Mahesh Krishnan, African Journal of Marketing Management Vol. 1(4) pp. 109-121 July, 2009 Available online <http://www.academicjournals.org/ajmm> ©2009 Academic Journals.

With a title applicability of Determinants of brand equity - A blue print for building strong brand: A study of automobile segment in India. The research has shown that, the equity of a brand is the result of consumer perception of the brand which is influenced by several factors. It is indeed difficult to understand brand equity without carefully examining its sources, that is, the contributing factors to the overall perception of brand equity in the consumers' mind. Most of the brand equity researches focus on the direct marketing mix variables like advertising, distribution, and price and product quality as the contributing factors (Yoo et al., 2000). However, not much study has been done on the indirect marketing mix variables, or a combination of factors, or the interaction between them. In the process of buying, consumers would be influenced not only about the direct marketing

mix factors but also by the indirect marketing mix factors like peer recommendation, country of origin of the brand, celebrity endorsement etc. This would especially be important in a category in which buyers are fairly involved in the purchase. Many consumers have a perception of “made in ...” labels and immediately draw conclusions as the product being ‘inferior’ or ‘superior’ to another, depending on the country of origin and his/her perception of that country. Similarly, for a category like an automobile, it is natural for people to take the opinion of their friends, relatives, colleagues or neighbors regarding the brand before going for the final purchase. Also, another limitation that has been noted in earlier studies is that while they try explaining the effect on brand equity, each of the direct marketing mix variables are treated independent of each other (Yoo et al., 2000; Yasin et al., 2007). The interaction of different marketing mix variables on brand equity therefore demands further study. There is a distinct gap in the studies of brand equity in finding the result of the interactions of 2 or more variables on the final outcome. In view of the above gap in literature reviewed, the study investigates the interaction effect between direct and indirect marketing mix elements in the creation of brand equity. Indirect marketing mix variables have been defined as those factors, which do not constitute a part of the marketing mix variables directly but are important enough to influence consumers while they take their purchase decisions. The study explores how these actions increase or decrease brand equity. The study also tried finding out how these parameters are interacting and having an effect on the final brand equity as perceived by the.

Based on the above related empirical literature this researcher has formulated the following hypotheses.

Price

H1. The perceived quality of a brand is related positively to the extent to which the price of the brand is perceived to be high

Price premia being a proxy for elasticity of demand, this in turn, is a measure of brand perceived quality. Price premium reflects the brand’s ability to command a price higher than its competitors. The price premium construct is consequently important for all types of brands, despite actual price position within a category (Chattopadhyay et al., 2008). Brand loyal consumers are willing to pay the full price for their favorite brand as they perceive their brand to be of a superior quality than non-loyal consumers. Prestige brands have a high-status symbol because of higher pricing. These brands usually have a relatively small market share and are purchased to communicate wealth, status and

exclusivity (Bagwell and Bernheim, 1996; Park et al., 1991). Volume brands are usually priced near the market average and have relatively high market shares. They are not purchased for their status or exclusivity, but for reasons such as value-for-money. Finally, economy brands are sold in the low-end segment of the market. Price being the major reason for the purchase of such brands, they are more affordable and hence the highest share amongst different types of automobiles in India

Distribution intensity

H2: Perceived quality of a brand is related positively to the extent to which the brand is available in stores

Distribution is defined to be intensive when products are available in a large number of stores in the market. It has been argued that certain types of distribution fit certain types of products. Consumers, however, are expected to be more satisfied, when a product is available in greater number of stores. Intensive distribution reduces the time consumers must spend searching the stores and traveling to and from the stores, provides convenience in purchase and makes it easier to avail services of the products bought. The increased value results mostly from the reduction of sacrifices the consumers must make to acquire the product (Yoo et al., 2000). Accordingly, positive perceived quality should develop along with the consumer's satisfaction of the product, perceived quality leading to higher brand equity. This should be more prominent for products which are service intensive, like an automobile.

Store image

H3: Perceived quality of a brand is related positively to the extent to which the brand is distributed through the stores with a good image

Resellers endeavor to maintain profitability in the face of consumer demand for better value through larger ranges, larger store formats and competitive pricing brands. Normally, a deal with many manufacturers and these manufacturers also supply a reseller's competitors. Within the network, the brand can be regarded as a resource tie that links manufacturers and resellers together to serve the end customer. Manufacturers and resellers

Have therefore adopted a more collaborative approach through initiatives such as category management, efficient consumer response (ECR) and trade marketing. For automobile industry and especially the new car market in India, more often than not, a reseller stocks

different brand of one manufacturer only. The reseller thus becomes the brand ambassador to the consumer. Automobiles, being a service intensive category, the role of a reseller cannot be ignored. If the reseller service is prompt, the perceived quality and brand equity of the brand would be enhanced. Hence, in my study of store image influencing brand equity, I shall consider promptness and effectiveness of reseller service as a measure of his store image.

Advertising

H4: Perceived quality of a brand is related positively to the extent to which advertisement is invested for the brand

Overwhelmingly, advertising researchers have found that advertising is very successful in generating brand equity (Boulding et al., 1994; Chay and Tellis, 1991). It was found that there exists a positive correlation of brand equity to advertising spends (Simon and Sullivan, 1993) and advertising intensity and use experience both signal product quality in brand choice models (Ackerberg, 2003). Advertising plays a pivotal role in increasing brand awareness as well as creating strong brand associations Yoo et al. (2000). Repetitive advertising schedules increase the probability that a brand will be included in the consideration set, which simplifies the consumer's brand choice, making it a habit to choose the brand. A greater amount of advertising is thus related to brand awareness and positive brand association, which leads to greater brand equity. In addition, according to an extended hierarchy of effects model, advertising is positively related to brand loyalty because it reinforces brand related associations and attitudes towards the brand (Shimp, 1997).

Price promotions

H5: Perceived quality of a brand is related negatively to the extent to which price promotion is used for the brand

The characterization of equilibrium probability distribution over a range of prices has been defined as price promotion. The same can be assumed to be implemented over a large number of periods where the demands over subsequent periods are independent of each other (Lal and Villas – Boas, 1996). Past research, has studied the effect of such factors as inventory carrying costs, usage rates, number of loyal consumers on the price promotional strategies used by competitive brands. Blattberg et al. (1985) have shown that retailers use price promotional strategies to reduce their inventory carrying costs. Works by Raju et al.

(1990) show that if some consumers have lower inventory carrying costs than retailers, the optimal strategy for retailer is to offer periodic price discounts.

Studies were conducted that relied on heterogeneity in demand intensity across consumers to demonstrate that price promotion can be optimal (Jeuland and Narasimhan, 1985). The authors show that price promotions are worthwhile when consumers with higher consumption rates also have higher holding costs. The prices are reduced to make the product more appealing to a segment of consumers who find it advantageous to stockpile for future consumption.

Quality perceived by the consumer

H6: The level of brand equity is related positively to the extent to which brand quality is evident in the product

Brand awareness along with strong association forms specific brand image. Brand association was defined as ‘anything linked in the memory to a brand’ and brand image as ‘a set of brand associations, usually in some meaningful way’ (Aaker, 1991). Brand associations are complicated and are connected to one another and consist of multiple ideas and episodes, instances and facts that establish a solid network of brand knowledge. The associations are stronger when they are based on many experiences or exposures to communications rather than a few. Brand associations, resulting in high brand awareness, are positively related to brand equity, because they can be a signal of quality and commitment and help a buyer consider a brand at the point of purchase, which, in turn, leads to a favorable behavior for the brand. Zeithemal (1988) defines perceived quality as ‘consumer’s judgment about a product’s overall excellence or superiority.’ High perceived quality means through usage of the brand the consumers recognize the differentiation and superiority of the brand. Zeithemal identified perceived quality as a component of brand value; thus, high perceived quality would drive a consumer to choose a brand rather than its competing brand. Thus, to the extent perceived quality of a brand is higher, so is brand equity. In our study, this study considered hi-tech brand, brand came new to the Indian market, brand has unique features, offers good mileage and brand offers smooth driving experience and well known, (which can also be expressed as a popular brand) as cues towards brand image and associations as perceived by the consumers.

Indirect marketing mix elements and brand equity

Country of origin

H7: Perceived quality and hence brand equity is dependent on the country of origin of the brand

In the present study, it is defined country of origin as “the country from which the brand had originated initially from.” In today’s era of globalization, country of origin of the manufacturing brands is increasingly becoming more important rather than the actual country of manufacture.

The impact of country of origin on consumer perceptions or evaluations of products is called the country of origin effects (Samiee, 1994). Researchers have suggested that country of origin effects may impact the equity of certain brands (Thakor and Katsanis, 1997). For Aaker (1991) and Keller (1993) both suggested that that country of origin could affect a brand’s equity by generating secondary associations for the brand. Indeed, a foreign sounding name is known to affect a brand’s equity (Leclerc et al., 1994).

Increasingly today, brands of one country are available to consumers of other country. In such cases, international marketers need to understand the sources of equity of their brands. However, brand equity remains a complex phenomenon in the international context (Onkvisit and Shaw, 1989). Brand equity has been conceptualized as a multi-dimensional construct (Aaker, 1991) and the impact of country of origin on some of its components (e.g. perceived quality) have been widely researched in the marketing literature (Chao, 1998). The effect of country of origin of a brand on the consumer based brand equity for Australian consumers were examined by Pappu et al. (2006). However, by their own admission, the researchers noted that this would vary from category to category. Under the context, this research aims to develop a better understanding of the effect of the country of origin on brand equity for multiple time car buyers in India. Such buyers are expected to be more educated on the cars while going through the purchase behavior. But does country of origin of the brand make any difference to them during their purchase behavior is one parameter that the study aims at addressing.

Peer recommendation

H8: Perceived quality is positively influenced by positive peer recommendation

Consumers voice more trust in product information created by other consumers than in information generated by manufacturers. Another consumer's personal experience with a product seems important to several participants who view such feedback as more credible

than that obtained from other sources (Hyuk Jun Cheong, 2008). Work of Goldsmith and Horowitz (2006), prove that consumers search other consumers' opinions to reduce their risks and obtain pre-purchase information. Therefore, other consumers' information emerges as more important than advertising.

In their study they consider friends, relatives, neighbors and colleagues as peers, that is, those people who can influence the sample more directly than other sources of influence like blogs.

Celebrity endorsement

H9: Celebrity endorsement has a positive effect on perceived quality of the product and hence on brand equity

Leveraging the endorsement of products by celebrities, as a marketing practice, has a distinguished history. Josiah Wedgwood, the famed 18th century potter, was a pioneer in the art of using celebrities to his endorsement. Once Queen Charlotte began using his products, Wedgwood capitalized his new status by referring to himself as 'potter to his majesty' (Dukceovich, 2004). Centuries later, celebrity usage in brand management has become a familiar scenario.

Research has found that celebrities are more effective than other types of endorsers, like the 'professional expert', 'the company manager' or 'the typical consumer' (Friedman and Friedman, 1979). Celebrities are people that exert significant influence in several facets of society, ranging from arts, music, movies and television, sports, culture, politics and even religion. They range from film and television stars to musicians, sports personalities, royals,

Politicians and even socialites who have no defined careers apart from looking beautiful and attending the right events.

According to recent research statistics, the number of celebrity advertisements has doubled in the past ten years. One in 4 advertisement feature celebrities now as opposed to one in 8 in 1995. Although this statistic is related to consumer goods and services, there has also been an increase in the use of celebrities in the brand message communications among luxury brands several studies suggest that when a brand becomes associated with a celebrity via the endorsement process, information regarding that celebrity's activities and achievements can transfer to the brand and have an effect on its image (Till and Shimp, 1998). It is plausible, therefore, that this effect can be leveraged by brand managers. The

process may involve screening out less favorable information and/or selectively communicating appealing information to the brand's target market. This can be thought of as “activating” the celebrity for the benefit of the brand. Evidence for the proposed effects of celebrity activation is provided by Farrell et al. (2000), who found that the professional success of a celebrity endorser, if publicized by the endorsed product's firm, improved consumer brand-evaluations of the endorsed product (measured as excess returns for the endorsed brand). On the basis of Farrell et al. (2000) discussion, it was proven by Seno and Lucas (2007) that more a celebrity endorser is activated, the more the endorsed product's brand image will benefit from endorsement by the celebrity

Vikram Shende undertaken the analysis of Research in consumer behavior of automobile passenger car customer, International Journal of Scientific and Research Publications, Volume 4, Issue 2, February 2014 I ISSN 2250-3153.

The Concept of Brand Preference, the notion of preference has been considered in different disciplines such as economists, psychologists, sociology. However, there is no commonly agreed definition of preference among these disciplines. For example, economists believe that preferences are exogenous, stable, and known with adequate precision and are revealed through choice behavior. The economic view of preference had been criticized for assuming that preferences are stable and endogenous. An individual's preferences are not stable and can be endogenous or exogenous.

In marketing literature, the word preference means the desirability or choice of an alternative. Preferences are above all behavioral tendencies (Zajonc and Markus, 1982). Brand preference is defined variously as the consumer's predispositions toward a brand that varies on the salient beliefs that are activated at a given time; the consumer biasness toward a certain brand; the extent to which a consumer favors one brand over another. For this study, a working definition for brand preference is offered: “the biased behavioral tendencies reflecting the consumer's predisposition toward a brand”. Moreover, there is difference between brand preference and brand loyalty. Brand preference represents the attitudinal brand loyalty excluding the action of repeat purchasing; the brand-oriented attitudinal loyalty. The main theme is that the first three decision-making phases of brand loyalty constitute the focal of brand preference. Thus, brand preference is related to brand loyalty; however, brand loyalty is more consistent depicted by the long term repeated purchasing behavior.

Howard, J. A. and Sheth, J.N. (Research Entitled: Model of Buyer Behaviour)

Howard and Sheth (1968), postulates one of the best-known models of consumer behavior, which explains interactions, the theory of buyer behavior. Practically between the inputs (stimuli that the consumer receives from his or her environment) and outputs (the consumers' actions, as observable results of the input stimuli) of decision-making are the constructs, which are the processes, the consumer goes through to decide upon his or her action. Authors grouped these into following two areas:

1. Perceptual: Those concerned with obtaining and handling information about the product and services.
2. Learning: The process of learning that leads to the decision itself.

In light of the above model the consumer decision-making is a process that the consumer goes through.

Sagar, Ambuj, D. & Chandra & Pankaj (Research Entitled: Technological Change in the Indian Passenger Car Industry)

Sagar et al. (2004), discussed, as to how the Indian car industry has advanced technologically driven by a confluence of factors such as intense competition, demanding consumer preferences, Government policies (especially tightening emission standards), and the global strategies of the various players. They elaborated that car manufacturers in India are based on designs, incorporating advanced technologies, that are often comparable with those available globally and Indian car exports are also growing rapidly.

Mandeep Kaur and Sandhu H.S. (Research Entitled: A Study on Factors Influencing Buying Behavior of Passenger Car Market)

Mandeep Kaur and Sandhu (2006), attempts to find out the important features which a customer considers while going to purchase a new car. The car owners perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness.

Balakrishnan Menon, Dr. Jagathy Raj V. P. (Research Entitled: "Determinant Mean percentage score factors of the consumer purchase behavior of passenger cars")

Through this paper the researchers discuss the main purpose that is to come up with the identification of possible parameters and a framework development, that influence the consumer purchase behavior patterns of passenger car owners in the state of Kerala, so that further research could be done, based on the framework and the identified parameters. With the multiple choices available to the Indian passenger car buyers, it drastically changed the way, the car purchase scenario in India. It transformed the automobile scenario from a seller's market to buyers' market. Passenger car customers started developing their own personal preferences and purchasing patterns, which were hitherto unknown in the Indian automobile segment. Researchers conceptualized a consumer purchase behavior model with major parameters influencing the behavioral patterns of the passenger car owners. In this model, it is represented that the consumer behavior is a blend of Economic, technological, political, cultural, demographic, and natural factors as well as his own characteristics which is reflected by his attitude, motivation, perception, personality, knowledge and lifestyle.

Desagen Moodley (Research Entitled: "Consumer Behavior of the Black Middle Class with the Passenger Vehicle Market in South Africa")

In this research, again the factors that influence the decision-making process of the consumer while purchasing a passenger car have been discussed. Results of this research confirmed that the steps in the decision-making process were followed by this segment of the population. The primary objective of this study is to investigate the consumer decision-making process of the consumers in purchasing a consumer motor vehicle. Further analysis resulted in establishing both the product and situational factors that played a vital role in influencing the purchase decision.

The research determines the factors result in the need to purchase a passenger vehicle by evaluating the problem recognition step of the decision-making process. It is ascertained that the sources as well as different types of information used during the information search step and the impact of this during the decision-making process. This research is done to establish the product and situational variables that are important to the consumers when purchasing a passenger vehicle during the alternative evaluation step of the decision-making process evaluation of the purchase step, decision-making process and the satisfaction of the product and so in the post-purchase. Through this dissertation, the

necessity, circumstances and price were identified as the key factors that were identified during the problem recognition step that contributed to the decision to purchase a passenger vehicle.

A combination of information sources, ranging from the internet, recommendations, advice, test drives, through the print media were referenced prior to the purchase. From the perspective of personal influence, family members, colleagues and friends were found to be the most influential in the decision. Price, brand, fuel consumption, features and benefits along with a maintenance/ motor plan were identified as a top five product factors that influence the passenger car consumers. The situational factors had a very strong emphasis on financial implications. Personal income, monthly instalments, interest rates, lifestyle and payment period were identified by Moodley (2007) as the top five factors that influenced the black middle class while making a purchase.

Thus, it is determined that the majority of the population understand the purchase transaction process. The majority indicated that, they were involved and or concerned during the purchase process.

Ms. A. Josephine Stella, Dr. K. Rajeshwari (Research Entitled: "Consumer Behaviour towards passenger cars- A study with reference to Virudhnagar District of Tamilnadu")

The research focuses on the consumer behavior towards passenger car and involves the critical analysis of factors influence the purchase behavior. The research is conducted for better understanding of the relationship between the consumer satisfaction, brand image and information from mass media towards the purchase evaluation at various stages of purchase decision. By understanding the consumer's satisfaction of the product will help the automobile manufacturers in developing their product to meet customer's needs and designing the proper Marketing programs and strategies. The researcher has found out that the most important factor that influences the consumers to use passenger cars is the price of the cars followed by low maintenance, better quality and durability.

Further, there is significant relationship between demographic characteristics towards various features of passenger cars. It is concluded from the following study that customer satisfaction is the important factor which affects the financial position and goodwill of the

company. Relationship Marketing is an influential asset for consumer behavior analysis at it has a keen interest in the rediscovery of the true meaning of Marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one Marketing.

Bell, Gerald (Research Entitled: "The Automobile Buyer after the Purchase")

Bell (1967) analyzed how a customer feels after buying a new car. He also explores the effect of customer's personalities in relation to salesman persuasion that attempts to find customer's post purchase satisfaction. This research work was conducted in a large urban area in the western part of United States. During summer months of 1965, when the data was collected, 289 new cars were sold. Researcher successfully interviewed 234 persons. It was concluded that person, with high self-confidence had very little dissonance i.e. they made their decisions, accepted them and were happy, where the persons with low self-confidence had low dissonance and they were easily persuaded by salesmen but in between them, the customers with little confidence were highly dissonant and were not easily persuaded. Perhaps, their self-doubts started to influence their attitudes after they completed their purchase. Lastly, it was stated that persuade ability acts as an indirect cause of buyer's dissonance.

Newman, J.W. & Staelin Richard (Research Entitled: "Prepurchase Information Seeking for New Cars and Major Household Appliances")

Newman and Staelin (1972), investigated the amount of information seek by new car buyers and buyers of major household appliances. Researcher employed two multivariate techniques, Automatic Interaction Detector (AID) and Multiple Classification Analysis (MCA). Data was collected from 653 households who had bought one or more of the products of interest in 1967 or 1968 prior to August 1968. Probability sampling was used to choose households in USA excluding Alaska.

About 217 cars and 435 other major household appliances were bought in that period. 29 variables were used e.g. level of satisfaction with old products, number of television sets bought in last ten years etc. It was found that 40 percent of buyers who had not regularly used the products before also considered only one brand initially. Results of the techniques

used indicated that the amount of information sought by many buyers was small, even though information was accessible. Hence, it was concluded that buyers tried to search for the things before purchase and unable to get proper information and the purchase decision might prove to be wrong.

Saish, S.M. and Bhardhwaj, Sivakumaran (Research Entitled: "Information Search Behaviour among New Car Buyers: A TwoStep Cluster Analysis")

Satish and Bharadwaj (2010) conducted a research on information search behavior among new car buyers. Data was collected from two Indian Metros, Bangalore and Chennai. The variables, selected for the study were taken from previous research. The data was analyzed with the help of factor analysis and variables so taken were related with attributes of cars. Four factors were extracted e.g. styling and comfort, value for money, safety and reliability and miscellaneous etc. The groups were distinguished using cluster analysis which was applied on search activity variables and personality variables. Four clusters so formed were named, broad moderate searchers, intense heavy searchers, low broad searchers and low searchers. So, the study was the first to segment the car buyers in India and also the results were supported with previous studies.

Kaushik, V. K. & Kaushik, Neeraj (Research Entitled: "Buying Behavior for Passenger Cars (A study in South West Haryana)")

Kaushik and Kaushik (2008) postulated empirically customers Preference towards passenger car brands in South West Haryana region. He considered pre-purchase and post-purchase behavior and factors influencing the brand preference of passenger cars. Judgmental Sampling method was used and study was carried out in Bhiwani and Mahendragarh districts of Haryana in months of June to August, 2007. Multi-Dimensional Scaling Techniques and cross tabulation were used. It was observed from the study that Maruti 800, Alto and Wagon R were most favorites in that region and customers were more influenced by friends, relatives rather than dealers and sales persons. Brand name, fuel, efficiency and price were found to be primary determinants for buying cars in that region.

Renganathan, R. (Research Entitled: "Consumer Markets and Buyer Behaviour of Cars")

Renganathan (2005) analyzed the consumer markets and buyer behavior of cars in Chennai area. The sample size for the study was 135 comprising of people who own a car and those

who are willing to upgrade from a two-wheeler to four wheelers. Results indicated that 39% of the surveyed respondents expect a car to be luxurious and mid-sized. It makes clear that, the style and appearance of a car also influence a customer's intention to buy a car. Hyundai has got a substantial market share in the urban areas. It could also conduct some campaigns and road shows in rural areas and cater to the respective markets. Further, he suggests that when a company need an effective advertising to persuade the consumers, it should first concentrate on selection of celebrity endorsers. The brand managers must identify the right celebrity by keeping the long-term impact in their minds, as celebrity advertisements are not only to build powerful brand but also assist to increase the recall level coupled with higher sales.

Morton, F. S. Zetzmeyer, F., & Risso, J. S. (Research Entitled: "Consumer Information and Price Discrimination: Does the Internet Affect the Pricing of New cars to Women and Minorities?")

Morton et al. (2002) analyzed the relationship between car prices and demographics and also studied the role of internet in pricing of new cars. Researchers collected the principal data from a major supplier of Marketing Research Information (MRI). MRI collected transaction data from a random sample of dealers in the major metropolitan areas of the United States. Data was collected from January 1, 1999 to February 28, 2000. Customer information, model and trim level of car, financing, trade information etc. were included in the data. Data set contains 671468 transactions at 3562 dealerships. Price was taken as a dependent variable and demographics like race, gender, age etc. are considered as independent variables. As results suggested that, high income and high education indicated lower elasticity of demand as highly educated personnel were more effective negotiators. It was observed that women paid more for cars as compared to men. All these cause and effect relationships had been sort out with the help of Regression analysis. Comparative analysis of buying behavior of African-American and Hispanic buyers was carried out and found out the following aspects like minorities were mostly unable to finalize the transactions and bought the cars from dealers at higher cost and they were also observed in bargaining. Other objective of effect of internet was also concluded with the help of Regression analysis only. It was observed that Auto bytel paid 12% less than the other customers. Autobytel.com also helped African-Americans to cover substantial part of

price premium they would otherwise pay. Hence, it could be concluded that internet eliminated most variations in new car prices

That resulted from individual characteristics associated with ethnicity and race. Authors also showed that disadvantaged minorities had more to gain from using an online buying service than do whites. Internet hides few of the information about consumer's willingness to pay so price discrimination is likely to be less pronounced.

Dr. Govind P. Shinde, Dr. Manisha Dubey (Research Entitled: Automobile Industry and Performance of Key Players)

This study represents the figures of Indian automobile industry during the period 2005 to 2010. The study has been conducted considering the segments such as passenger vehicle, commercial vehicle, utility vehicles, multi-purpose vehicles, two wheelers and three wheelers. All the sections concisely explain the current and future market trends, the developments in the Indian automobile market. The methodology used to find the trends and the market share of the Indian automobile industry. The researcher for the said purpose, take into account, the past and current trends in an economy, and more specifically in an industry, to bring out an objective market analysis. It has been concluded that despite economic slowdown, the Indian automobile sector has shown high growth. The economic sustainability and increasing living standards and purchasing powers of the Indian customers, automobile sector has a bright coming future. Further to the above, the industry is recording increasing growth rate in sales, but still there are loopholes in the automobile industry and these needs to be considered by the automobile industry to overcome.

2.3. Conceptual framework

The buyers' purchase behavior is not only influenced by current price of a product but also by the price they expect in future (Krishna, 1994). The owners of passenger cars in the major cities of the state of Punjab and the Union Territory of Chandigarh perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness (Mandeep and Sandhu, 2006). The speed, comfort and safety are the most significant factors which influence the purchase of Sedan car by the customers in the US market (Chen Lihua, 2007). The country of origin, brand name, lower price, and

distributor's reputation completely has a significant impact on the sale of passenger cars (Brown et.al, 1987). The passenger car owners in Coimbatore City give more importance to fuel efficiency than other factors and they prefer to purchase the passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price (Chidambaram and Alfred, 2007). Safety, value for money, and riding comfort are the most important factors that influence the purchasing decision of the Chinese consumers towards passenger cars (Dongyan and Xuan, 2008).

The name of the company, durability, driving comfort, brand popularity, spare parts availability, travel convenience and overall look are the major factors that led the customers to prefer Maruti product to others (Purohit, 2009). The influence of peer group is higher for the purchase of small sized and mid-sized cars in Coimbatore District (Clement and Venkatapathy, 2009). The price of the car is the most important factor for selecting Nano followed by the name TATA which stand quite tall in the country. The factors like global presence, worldwide reputation and quality have played a pivotal role in the decision-making of customers in Puducherry City towards preference of local and global brands. One of the most important factors influencing the purchase of passenger cars in India is the availability of auto finance or consumer credit (Joseph and Kamble, 2011). The demographic factors such as age, monthly household income and the number of earning members in the family have a significant impact on the positive attitude towards the imported, used cars (Johnson and Sargunam, 2012).

The factors like sources of information need for fuel economy and necessity, cost and durability, warranty and prestige, comfort, and value are the motivating factors for the purchase intention of car owners in Vellore District of Tamilnadu (Akbar and Ashok, 2012). The price of the car, advanced technology, market re-sale value of the brand and model, security features, safety features and driving comfort were the prominent factors which influenced the consumers' purchasing behavior of passenger cars in the State of Kerala (Balakrishnan and Jagathy, 2012). The product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trustworthiness and customer feeling or association towards brand are the most dominant factors influencing customers' brand preference towards SUVs and MUVs (Prasanna Mohan Raj et. al, 2013). The value consciousness, price, and quality are the parameters that influence the customer purchase behavior towards small cars within the city of Pune (John and Pragadeeswaran, 2013).

The research uses the proposition that brand choice behavior is influenced by five consumption values, these being functional, social, emotional, conditional and epistemic values using SNG (1991a) theory of consumption values model. Three fundamental propositions underpin the TCV: (1) consumer choice is a function of multiple consumption values; (2) the values make differential contributions in the choice situation, and (3) the values are independent of each other. Thus, all or any of the consumption values can influence a decision and can contribute additively and incrementally to choice; consumers weight the values differently in specific buying situations, and are usually willing to trade-off one value in order to obtain more of another. This is reflected in related applications that treat the dimensions of TCV as separate constructs (LeBlanc & Nguyen, 1999; Ledden et al., 2007; Williams & Soutar, 2009)

Though, there are a number of studies focusing on the determinants of brand preference only a limited number of studies have attempted to analyse the determinants of dealers in particular. There is no extensive and exhaustive study which has focused on the factors influencing the purchase behavior of the car owners in Addis Ababa in general. Hence the present study attempts to fill this gap in the existing literature by shedding light on the factors determining the selection of car brand by the car owners in Addis Ababa.

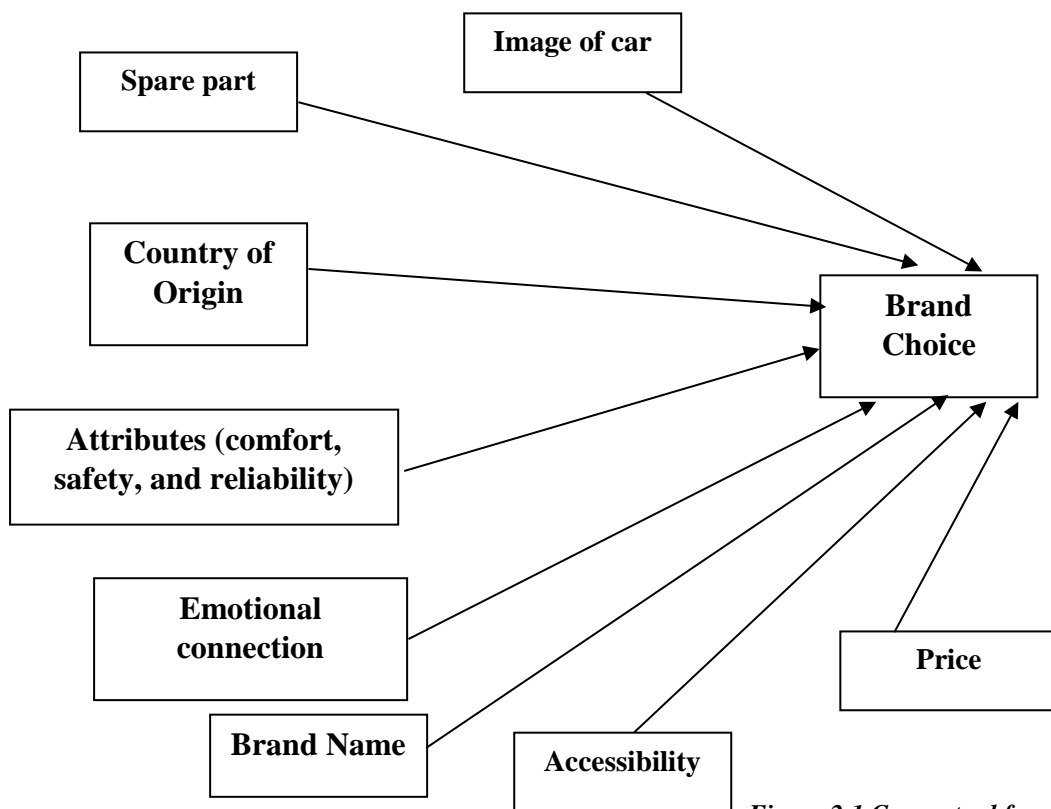


Figure 2.1 Conceptual frame work

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter, the researcher made discussions about the research design, research method, population and sampling technique, procedure of data collection and method of data analysis has used by the study. In addition, survey related reliability, validity and ethical considerations has presented.

3.1 Research Reasoning Approach

According to Bhattacharjee (2012) theories and observations are the two pillars of science, and scientific research also operates at two levels: theoretical level and empirical level (Bhattacharjee, 2012). The theoretical level is concerned with developing abstract concepts about a natural or social phenomenon and relationships between those concepts (i.e., build —theories), while the empirical level is concerned with testing the theoretical concepts and relationships to see how well they match with observations of reality, with the goal of ultimately building better theories.

According to (Bhattacharjee, 2012), the goal of deductive research reasoning is to test concepts and patterns known from theory using new empirical data. Hence deductive research reasoning is theory-testing research which is the objective of the research under consideration. The goal of theory-testing is not just to test a theory, but also to refine, improve, and possibly extend it (Bhattacharjee, 2012).

Therefore, this study follows a deductive form of scientific research reasoning approach because at this level building theory is very difficult and beyond the capacity of the researcher at this level.

3.2. Research Design

When conducting a research, there are different ways to consider in approaching the research problem. According to Creswell (2009), there are three research designs which involve quantitative, qualitative and combination of the two. According to Cooper et.al (2003) as cited by Farhadi (2009) quantitative research helps to determine the relationship between an independent variable and a dependent variable in a population. It also used to explain causal relationships to facilitate generalization and to predict the future whereas qualitative research methods provide a complete picture of the situation by increasing the understanding of social process and interrelations. Quantitative methods are characterized by measurable data which can be expressed in numbers or other quantitative. This gives a basis for the presentation of frequencies, distributions and correlations (Lim & Dwyer, 2001). The choice of quantitative approach for this research is because of quantitative research aims to determine how one variable affects another in a population, by quantifying the relationships between variables (Creswell, 2009). So, the study quantifies the relationship between variables by applying quantitative approach, quantitative approach involves studies that make use of social analysis to obtain findings. Based on the objectives of the study and the availability of relevant information and consistent previous study on brand choice (Nareth et al, 2012), this study use a descriptive research. In addition, from the literature reviewed the quantitative methods of data collection and analysis were used in this study, which widely used and tried and tested in similar research.

The researcher selected sample from the population by adoption the non-probability sampling: convenience sampling technique. Both descriptive and inferential statistic were applied. The purpose of descriptive survey is to collect detailed and factual information that describe an existing phenomenon (Ezean, 1998). The reason why the research chose descriptive type of research is to identify and clearly describe the factors that attract buyers to prefer a particular brand. Similarly, explanatory research design was used to identify the relationship between independent and dependent variables (brand preference).

3.3 Sampling Technique and Sample Size

3.3.1. Target Population

Firstly, the population of the study needs to be chosen. Population is defined as “the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected” (Davis 2000, pp. 220). As stated in the scope of the study, the research has tried to examine the brand car owners in Addis Ababa from both genders. Obviously, for many research questions and objectives, considering all possible cases or population elements seems unfeasible to collect or to analyze all the data available. For instance, it is believed that more than 552,427 of vehicle are in operation in Ethiopia. So, it is difficult to consider in this study the total population. For that reason, sample retailers’ brand of certain retailing companies was selected from retailing companies working in Addis Ababa.

3.3.2 Sample Size

Sample Size is a number that is calculated based on the population size and the levels of error and confidence the researcher sets. This is the number of people that will need to complete the survey in order for the results to be accurate within the tolerances that are set earlier (Krejcie & Morgan, 1970). And Population Size is the total number of people that the researcher could send the survey out to. This is the total number of people to which the researcher will be generalizing the results of the findings (Krejcie & Morgan, 1970). Based on the data from federal ministry of transport transport authority total vehicle population in Ethiopia 552,427 Cars and Station-wagons, according to World Bank Report it estimates 95% vehicles are imported second hand car. Only 5% (27,621.35) are believed new brand vehicles. Since, the population of this study is unknown for the selected brands, we know for a fact that Ethiopia will not even come close to others developed countries vehicle population. So, the sample size for this study is adopted from similar previous studies. Like *Dr.T. Rajaseka, Determinants of Preference towards Passenger Cars – The Case of Madurai City in Tamilnadu (OSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 17, Issue 7.Ver. III (July. 2015))*. The study was conducted based on both the primary and secondary data. The primary data were collected by the researcher from a sample size of 150 respondents by adopting Proportionate Random Sampling Technique. Likewise; *Renganathan, R. (Research Entitled: “Consumer Markets and Buyer Behaviour of Cars”)* Renganathan (2005)

analyzed the consumer markets and buyer behavior of cars in Chennai area. The sample size for the study was 135 comprising of people.

There are two options for calculating sample size for categorical data – using an online tool, or doing this by hand.

1. Online tool at <http://www.raosoft.com/samplesize.html>

2. Hand calculations using the Cochran method outlined in Bartlett, Kotlik, and Higgins (2001):

$$\begin{aligned}n_0 &= t^2 \times p \times (1 - p) / d^2 \\&= \frac{1.96^2 \times 0.2 \times (1-0.2)}{0.05^2} \\&= 246\end{aligned}$$

Where

- **n_0** is the minimum estimated sample size
- **t** is the value of the t-distribution corresponding to the chosen alpha level – for .05 this is 1.96
- **p** is the estimate of population proportion*
- **d** is the margin of error – Bartlett et al recommend using 5%

*When p is unknown, generally it is best to set it at .5

If the estimate **n_0** is greater than 5% of the overall population, make the following correction:

In order to minimize the sample error the researcher add 30, which will become the total sample size of 276 respondents.

This work based its sample size on a 95% confidence level and a marginal error of 5% and determine its sample size to be 276.

3.4 Source and Tools of Data Collection

The present study is primarily based on both primary and secondary data. The secondary data was collected from publications including journals, articles, and various materials that have relevance to this study. To collect the primary data survey method has been used through a structured questionnaire was applied. And data was collected personally by the researcher. The questionnaire is adopted questionnaire and arranged into Likert scale. Which is from “strongly disagree” to “strongly agree”. This first part of the questionnaire adopted from (Quan, 2006). Which contains 5 questions which is intended to get the general information and the rest 26 questions are intended to analyze the independent variable and dependent variable.

3.5 Procedure of data collection

Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot, these are the most widely distributed brand through the automotive retailer business. In order to make easy the questionnaire for respondents, the questionnaire translated by legal operating translation offices translated into Amharic. Both version was distributed based on the respondent's language choice.

3.6 Reliability Test

Reliability is the extent to which measurements are repeatable –when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments which measure the same thing. In sum, reliability is consistency of measurement or stability of measurement over a variety of conditions in which basically the same results should be obtained (Drost, 2007). To assess the internal consistency of variables in the research, Cronbachs alpha reliability test technique test was applied. According to Field (2006) and Zikmund (2010) Cronbachs alpha coefficient greater than 0.7 indicate the reliability of the data. The result of the Cronbach's alpha 0.84 is higher than 0.7 thus this indicate the questioner result are reliable.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.84	.812	8

Table 3.61: Reliability test

3.7 Validity Test

Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested, (Kothari, 2004). In other words, Validity is the most critical criterion and indicates the degree to which a measure what it is supposed to measure. In order to ensure the quality of the research design content and construct validity of the research. The content validity will be verified by the advisor of this research, who looked into the appropriateness of the questions and the scales of measurement.

3.8 Method of Data Analysis

As mentioned in the previous section, primary data was collected in this study. To conduct the analysis exhaustively, the data was analyzed with the combination of both descriptive statistics like mean, frequency, and cross tabulation of the variables and inferential statistics like correlation analysis to examine direction and significant of the correlation of the variables considered under this study and regression analysis to examine the relationship between the dependent variable and the independent variables with Pearson correlation and linear multiple regression techniques, one-way ANOVA was also applied.

Before analyzing, the collected and coded data was checked for any possible errors while entering or coding the data. This process is essential and will save a lot of headache later, according to (Pallant, 2005).

The data screening process involves a number of steps:

Step 1: Checking for errors. First, one needs to check each of the variables for scores that are out of range (i.e. not within the range of possible scores).

Step 2: Finding the error in the data file. Second, one needs to find where in the data file this error occurred (i.e. which case is involved).

Step 3: Correcting the error in the data file. Finally, one needs to correct the error in the data file itself.

The screened data was then presented using frequency distribution tables to systematically arrange data values with a count of how many times each value occurred in a dataset. Then, the data was analyzed using descriptive statistics where summarizing of the data was done through measures of central tendencies (mean, mode, and median), measures of dispersion (variance and standard deviation) and distribution. The results of this analysis were presented by tables.

After descriptive analysis, the regression model was specified defining the explanatory and the explained variables in the study. This then determined the type of regression the study used, which was multiple regression (where its assumptions were checked with collinearity diagnostics). The type of relationship for multiple regressions by default was a random or stochastic where for each value of the independent variable X, there will be some values of the dependent variable Y only with some probability.

In order to accomplish all the above requirements, the researcher will use software to analyze the data. As a result, SPSS and Microsoft Excel will be applied to analyze the collected mass of data.

3.9 Ethical Considerations

The participants in this study will be selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher will assure that as he will keep the information confidential and the data will have used only for intended purpose.

CHAPTER FOUR

Data presentation and analysis

This chapter has demonstrated the research in the area of determinants factor in the automobile brand choice in six selected dealers' brands. Therefore, the following discussions reveal the results found from the data analysis carried out as proposed in the methodology part of this work and also a thorough discussion of the eight hypotheses is presented in this chapter.

4.1. Demographic Information of Respondents

The demographic character of the car owners can have a determining factor in brand preference. Hence, it's important to examine the socio-economic profile of the selected car owners. Here major characters like age, sex, level of education, occupation and educational attainment is encompassed. The table below shows the demographic characters of the respondents.

Table 4.1 Frequency Table of total Respondents

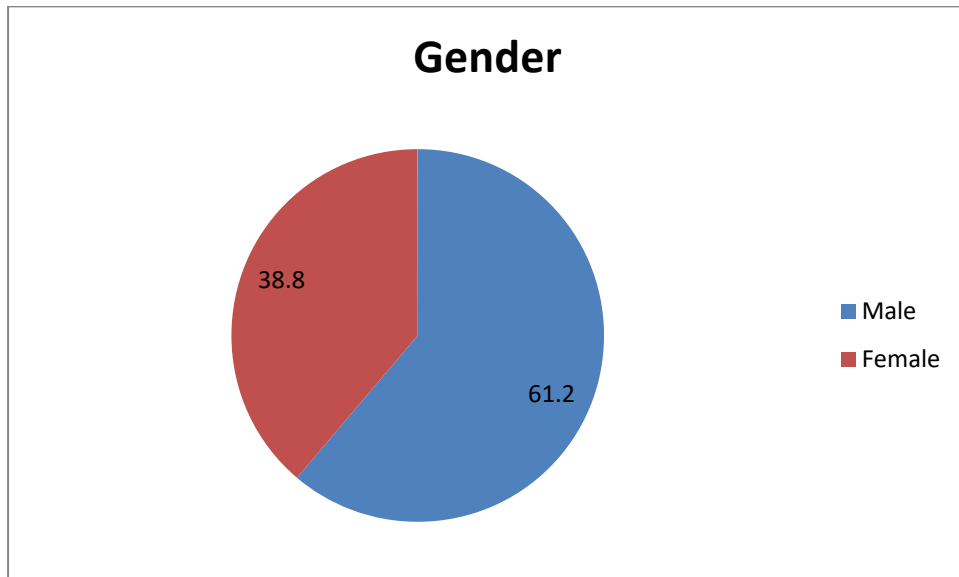
Variables	Category	Frequency	Percentage
Age	18-30	81	29.3
	31-45	172	62.3
	46-60	22	8
	>60	1	0.4
Gender	Male	169	61.2
	Female	107	38.8
Occupation	Self-Employed	40	14.5
	NGO and International Co.	68	24.6
	Pensioner	8	2.9
	Private	110	39.9
	Government Organization	50	18.1
Monthly Income(Birr)	>10,000	91	33
	11,000-30,000	146	52.9
	31,000-50,000	28	10.1
	51,000-60,000	3	1.1
	>60,000	8	2.9
Educational Attainment	Less than high school	2	7

High school complete	14	5.1
Some college	36	13
Bachelor's Degree	160	58
Master's Degree	58	21
Doctoral Degree	6	2.2

Source: Survey Result, SPSS (2016)

The Age groups in the demographic report of the respondents show that majority of the respondents age lies between 31-45 age group. The second majority of respondents were between 18 and 30.

Figure 4.2 Gender frequency



Source: Survey Result, SPSS (2016)

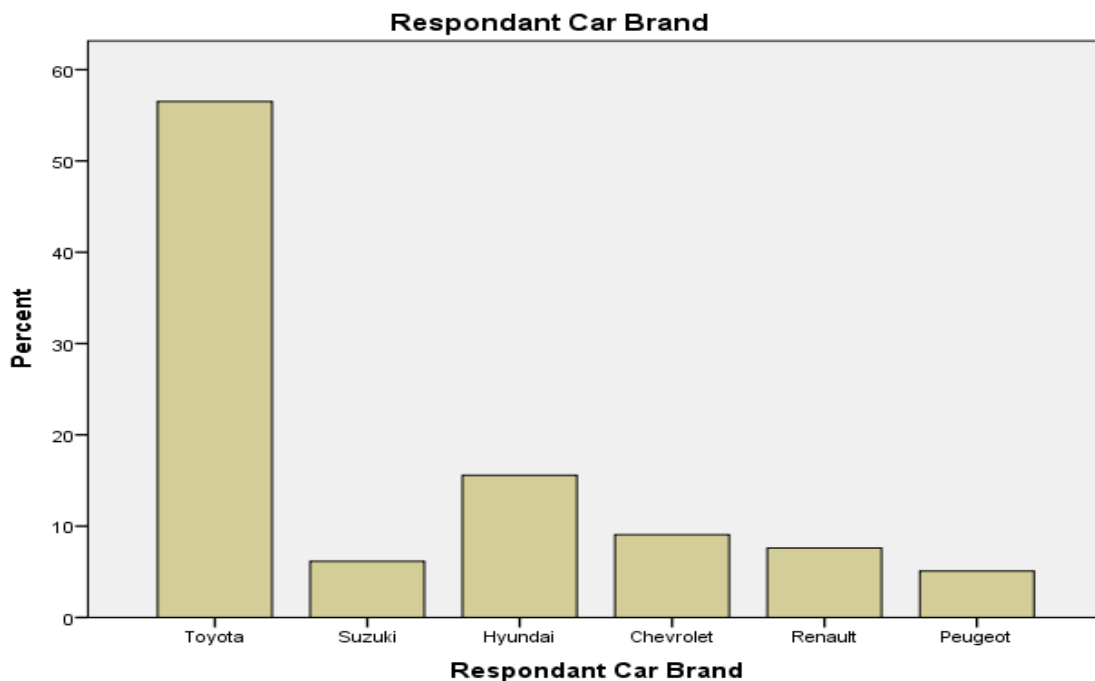
The result in the above demographic table shows that the number of male respondents was 169 or 62% and the number of female respondents was 107 or 38%. Based on the result, the majority of the respondents 'gender was male.

From the table, the largest groups of respondents are in private occupations 110 (39.9%). The second largest group are NGO and international corporations 68(24.6%); and the third largest group are government organizations (50 or 18.1%). It implies that there is a huge demand in the government organizations and NGO and international corporations' employees.

Also in the table, the education level was divided into five levels, which were divided into less than high school, High school complete, some College, Bachelor's degree, Master's degree or doctoral degree. From the questionnaire survey data, the majority of education attainment group who own car have Bachelor's degree with 160 respondents, which are 58%. The second group was Master's degree and some college level with 21% and 13% respectively.

Generally, from the above table we can summarize the demographic distribution of car owners of the selected brands for this research. Most of the car owners of the selected brands are 31 to 45 years of age. The majority of the respondents have occupations on private sector 40% followed by NGO's and international corporations which comprises 25%. The table clearly depicts that majority (53%) of the car owners of this selected brands earn monthly income between 11,000 and 30,000.

Figure 4.1: Respondents car brand



Source: Survey Result, SPSS (2016)

Table 4.2: Respondents car brand

	Frequency	Percent
Toyota	156	56.5
Suzuki	17	6.2
Hyundai	43	15.6
Chevrolet	25	9.1
Renault	21	7.6
Peugeot	14	5.1
Total	276	100.0

Source: Survey Result, SPSS (2016)

According to the above table it is crystal clear that Toyota is the brand choice of large proportion of the respondents. Out of the 276 respondents, 56 percent of them purchased Toyota brand cars whereas 43 (15.6%) of them purchased Hyundai. Renault and Chevrolet have comparable amount of preferences among the respondents whereas Peugeot is the list preferable brand among the respondents in this survey.

4.2. Descriptive Analysis

For the survey 300 questioners were distributed and out of that 24 of the questioners were invalid the rest 276 (92%) of the questioners were valid with complete answers and are analyzed.

The first section questioner encompassed the demographic character of the respondents. The second section collected data results discussed and analyzed based on the customer's response to the questionnaires associate with consumer's car brand choice determining factors.

4.2.1. Correlation between respondents Income and car brand choice

Table 3, Respondent income car brand association

Respondent Income * Respondent Car Brand Cross tabulation

Count

Respondent Income	Respondent Car Brand						Total
	Toyota	Suzuki	Hyundai	Chevrolet	Renault	Peugeot	
Less than 10,000	39	4	16	16	9	7	91(32%)
11,000 - 30,000	92	6	22	7	12	7	146(53%)
31,000 - 50,000	19	5	4	0	0	0	28(10%)
51,000 - 60,000	3	0	0	0	0	0	3(1%)
More than 60,000	3	2	1	2	0	0	8(3%)
Total	156	17	43	25	21	14	276

Source: Survey Result, SPSS (2016)

The above table reveals that majority of car owner's income fall between 11,000 and 30,000 per month with the percentage level of 53%. Accordingly, the respondents in this portion prefer Toyota and Hyundai car brands respectively on the other hand 32% of the respondents earn income below 10,000 which represent 32% of the population.

4.2.2. Basis of Decision to buy

In this section, respondents were asked to select the one that influenced them the most in deciding the brand of car they choose to buy. The objective of this question was to find out whether the purchase decision was the respondents own individual decision or a collective decision.

Table 4.4: Basis of decision to buy

Decision influence	Respondent Car Brand						Total	Percentage
	Toyota	Suzuki	Hyundai	Chevrolet	Renault	Peugeot		
It was my own decision	84	9	20	12	9	11	145	53%
It was joint family or friend	61	7	19	8	11	0	106	38%
Representative or celebrity	7	0	4	2	0	0	13	5%
Professional decision	19	1	0	5	0	3	28	10%
Advertisements	1	1	0	0	1	0	3	1%
Total							276	

Source: Survey Result, SPSS (2016)

According to the table, 53% of the respondents decided to choose their car brand by their own. The percentage of the customers response show that for most of the cars purchased, the final decision to buy was done implicitly by the owners. Here although there can be the influence of others on the process, Family and friends influence take the second part by 38% and professional consult follows as the third influential element in the decision process. However, advertisement scored the list influential element in influencing buyer's decision process. The result is amazing since advertising is taken as a very important element in the process.

4.2.3. Factors that affect the purchase Decisions of Cars

Several factors affect the purchasing decision of consumers towards a particular product or service in this case towards certain car brand. Regarding which most important aspect the respondents considered when he or she made a purchase decision the factors may vary from person to person.

The purchase decision of a potential buyer is influenced by a number of factors namely past experience, brand, quality and price. Here attempt is made to identify and differentiate the most influential and important factors car owners will consider when choosing certain brands.

The following analysis shows the result level agreement of consumer on the factors that influence their brand choice. The researcher asked the respondents to give feedback in terms of all related factors that include brand choice, attributes and perceived quality, emotional connection or association, image of the car, issues with spare part, accessibility, price, and external influence.

The respondents indicate the determining factors for their brand choice by choosing the provided scale questions that scale the agreement toward each related factor from 1(Strongly disagree) to 5(Strongly agree). Since using 5-point rating scale, the means 3.5 and above show the agree portion and show that agree level affect consumer’s purchase intention and its related factors in choosing the type of car they own.

4.2.4. Brand association or choice

When analyzing factors that determine the customers’ decision to buy a product, brand association is a very important issue to be considered. The quality perception of consumers most often is positive for well know branded cars than for lesser known brand cars.

Table 4.5: Brand association

Brand choice/association	Mean	Std. Deviation	Level of agreement
I buy because of country of origin	3.39	1.302	Undecided
I believe well known branded cars are always better quality	3.93	1.088	Agree
Persuasiveness of dealer’s influence my choice	2.98	1.213	Undecided

Source: Survey Result, SPSS (2016)

Brand association was constituted with the acceptance and influence of brand names on the customers car choice decisions and the respondents were provided with 3 questions each having 5 points of scale. The highest agree level of this factor is question No.2 that shows mean value equal to 3.92 and S.D. is equal to 1.088 while the other two questions show undecided question No.3 being the lowest mean scorer. This indicates that customers believe a well-known brand car is always of better quality than that off a lesser known one.

4.2.5. Product attributes and influence on choice of a car

Product attributes and their influence on car brand choice were gauged in this section, the attributes of car such as comfort safety reliability were discussed and analyzed. Here the respondents were asked to rank if the listed attributes of car are important in their purchase decisions.

Table 4.6: Product attributes and influence on choice of a car

Attributes	Mean	Std. Deviation	Level of agreement
I buy a car which is powerful/comfortable	4.07	.900	Agree
I choose a car which is reliable	4.11	.886	Agree
I choose a car which has good reputation	4.04	.925	Agree
I choose a car which because of safety	3.94	1.065	Agree

Source: Survey Result, SPSS (2016)

Product attributes was constituted with the type of quality the respondents demand from the car they chose and it is consisted of 3 questions. The mean value of all questions is greater than 3.5 and the highest score which shows the highest agree level of this factor is question number 2 with mean 4.11 and standard deviation .88. The result indicates customers prefer to buy a car that is reliable, powerful or comfortable, safe and with good reputation. The result goes in line with previous studies on product attributes such as Kotler (2005). According to Kotler, quality has a direct impact on product performance; so, it is closely linked to customer value and satisfaction.

4.2.6. Emotional connections and decision to purchase a car

Table 4.7: Emotional connection and decision to purchase a car

Emotional connection	Mean	Std. Deviation	Level of agreement
I buy a car recommended by family or friend	3.13	1.206	Undecided
Using branded product signifies social acceptance	3.36	1.141	Undecided
My car reflects myself respect	3.18	1.324	Undecided

Source: Survey Result, SPSS (2016)

The table above shows car choice in relation with customers' emotional connection with the brand of their choice. The respondents were provided with 3 questions related with this each having 5 alternatives as the questions before. The customers' response score for all the questions were undecided indicating that emotional connections have little effect in the purchase decisions process of the buyers.

4.2.7. Image of the car and decision to purchase

Table 4.8: Image of car and decision to purchase

Image of car	Mean	Std. Deviation	Level of agreement
I choose a car with unique feature	3.39	1.187	Undecided
I choose a car because of most innovative features	3.50	1.146	Agree
I buy a car because of its country of origin	3.25	1.224	Undecided

Source: Survey Result, SPSS (2016)

The feature or image of the car is an important factor in customers buying decision. Here the highest agree level score is 3.95, question No.1. The table shows that customers tend to buy a car with innovative and attractive feature.

4.2.8. Spare part and decision to purchase

Table 4.9: Spare part and decision to purchase

Spare Part	Mean	Std. Deviation	Level of agreement
I buy a car which spare part widely available	4.24	.865	Agree
I buy a car which spare part is cheap	3.90	.940	Agree
I buy a car which spare part is reasonable	3.95	.995	Agree

Source: Survey Result, SPSS (2016)

The spare part factor mean values of all questions are greater than 3.9 this is the highest score group from all the others in the questioner. The highest agree level of this factor question No.1 registered 4.24 mean and 0.865 Standard deviation. The result revealed that spare part

availability with cheap or reasonable price are one of the most determining factors in purchase decisions of automobile buyers.

4.2.9. Dealer accessibility and decision to purchase

Table 4.10: Dealer accessibility and decision to purchase

Dealer Accessibility	Mean	Std. Deviation	Level of agreement
I prefer a dealer which is widely accessible outlets	3.89	.900	Agree
I prefer a dealer which have good will	3.83	.931	Agree
I choose dealer which provides technical facilities of service center	3.96	.975	Agree
I buy a car because of ambiance of service center	3.60	1.048	Agree

Source: Survey Result, SPSS (2016)

In association with dealer and product accessibility, respondents were provided with four questions and asked to select their agreement level. Customers also prefer dealer accessibility as a determining factor to buy a car brand. The table above shows that the mean values for the accessibility questions are greater than 3.6. Question No.3. Dealers provision of technical facilities at their own service center the highest scorer.

4.2.10. Price and decision to purchase

Table 4.11: Price and decision to purchase

Price	Mean	Std. Deviation	Level of agreement
I buy a car which is reasonable price	4.12	.923	Agree
I buy a car without considering the price	2.49	1.322	Disagree
Brand with best value for money	3.75	1.052	Agree

Source: Survey Result, SPSS (2016)

Next to spare part price of the car is also a determining factor in customer decision to buy a car of certain brand. Respondent's level of agreement to purchase reasonable priced car is 4.12 mean score. Here also respondents agree with 3.75 mean level to buy a car brand with best

value for money. Whereas the lowest mean level score is question number two 2.49 that shows customers give large consideration to the price.

4.2.11. External influence and decision to purchase

Table 4.12: External influence and decision to purchase

External influence	Mean	Std. Deviation	Level of agreement
I buy a car influenced by adv.	2.57	1.165	Undecided
From a dealer where that customer service defined at dealer level	3.19	1.060	Undecided
I am more likely to visit a dealership after watching adv.	3.15	1.105	Undecided

Source: Survey Result, SPSS (2016)

External influence seems to have small effect on purchasing decisions according to the customers response score in the above table. All the mean values in the determining category indicate undecided level of agreement.

4.2.2. Pearson correlation

In this section, the correlation between eight factors selected in this research that are expected to have determining factor on customers purchase decision of car are analyzed with Pearson correlation. In the first part of the section selected factors with strong significance level and high Pearson correlation coefficients results are presented and discussed.

4.2.2.1 Respondents' Purchase decision with Price

Table 4.13: Correlation between Purchase decisions with price

		Correlations	
		Purchase decision	Price
Purchase decision	Pearson Correlation	1	.811**
	Sig. (2-tailed)		.000
	N	276	276
Price	Pearson Correlation	.611**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Source: Survey Result, SPSS (2016)

4.2.2.1.1 Respondents' Purchase decision with Price

According to the above table, the highly correlated factor that influences car purchase decision is the selling price of the car. The Pearson correlation value for price is .811 with .000 level of significance. From this we can conclude that, the price of the car is an important factor that has high influence on customers' decision process.

4.2.2.2 Correlation between Purchase decision and Image of the car

Table 4.14: Correlation between Purchase decision and Image of the car

		Correlations	
		Purchase decision	Image of Car
Purchase decision	Pearson Correlation	1	.727**
	Sig. (2-tailed)		.000
	N	276	276
Image of Car	Pearson Correlation	.727**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Source: Survey Result, SPSS (2016)

The second highly correlated factor that influences the decision to buy a car as shown in the above table is Image of the car with 0.000 P-value. The Pearson Correlation value of .727 shows the strong relationship between Image of the car and decision to purchase. Hence cars with innovative and unique features.

4.2.2.3 Correlation between Purchase decision and Attributes

Table 4.15: Correlation between Purchase decision and Attributes

		Correlations	
		Purchase decision	Attributes
Purchase decision	Pearson Correlation	1	.711**
	Sig. (2-tailed)		.000
	N	276	276
Attributes	Pearson Correlation	.711**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Source: Survey Result, SPSS (2016)

Next to price and car image, the Pearson correlation between purchase decision and Attributes show strong significant relationship (0.711). Hence customers are highly influenced by the comfort safety reliability of the car.

4.2.2.4. Summary of Pearson correlation results.

Table 4.16: Summary of Pearson correlation results

Brand name	Pearson Correlation	.415
	Sig. (2-tailed)	.000
	N	276
Attributes	Pearson Correlation	.711

	Sig. (2-tailed)	.000
	N	276
Emotional Connection	Pearson Correlation	.662
	Sig. (2-tailed)	.000
	N	276
Image of Car	Pearson Correlation	.727
	Sig. (2-tailed)	.000
	N	276
Spare	Pearson Correlation	.528
	Sig. (2-tailed)	.000
	N	276

Source: Survey Result, SPSS (2016)

Variables		Decision to Buy
Accessibility	Pearson Correlation	.704
	Sig. (2-tailed)	.000
	N	276
Price	Pearson Correlation	.611
	Sig. (2-tailed)	.000
	N	276
External influence	Pearson Correlation	.514

	Sig. (2-tailed)	.000
	N	276

Source: Survey Result, SPSS (2016)

As shown in the above summary table all the determining factors selected in this research have significant correlated with customers' car purchase decision.

4.3. Inferential Analysis of Variables

The next paragraphs will deal with testing the hypotheses proposed in the first chapter of this study. To this end, hypotheses one through five were tested using multiple regression as expressed in chapter three after making sure the model fulfills all the assumptions related with multiple regression and the last hypothesis

4.3.1. Regression Analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regressions) (Field, 2009). But before carrying out a regression analysis, there are a few assumptions of linear regression analysis that must be maintained.

The following conceptual frame work was proposed and is analyzed in this section.

Brand name determines customers' choice of car brand.

Product Attributes determines customers' choice of car brand.

Emotional connection determines customers' choice of car brand.

Image of the car determines customers' choice of car brand

Spare part determines customers' choice of car brand.

Price determines customers' choice of car brand.

Accessibility determines customers' choice of car brand.

External influence determines customers' choice of car brand.

4.3.1. Multiple regressions

As indicated above the study included six independent variables (Brand name, Product Attributes, price, spare part, Accessibility and External influence) as determining factors in the purchase decision of car. Before proceeding directly to analyze the relationships using multiple regressions, it is essential to test the existence of multicollinearity among the independent variables.

Multicollinearity occurs when two or more independent variables that are highly correlated with each other are included in the independent variables list. The Variance Inflation Factor (VIF) measures the impact of collinearity among the variables in a regression model. The Variance Inflation Factor (VIF) for all the variables is greater than 10 which show there is no multicollinearity between the independent variables.

4.3.2. Model of Summary Correlation R and R2

Multiple R is the correlation between the observed values of Y and the values of Y predicted by the multiple regression model. Therefore, large values of the multiple R represent a large correlation between the predicted and observed values of the outcome. A multiple R of 1 represents a situation in which the model perfectly predicts the observed data. Coefficient of determination: the proportion of variance in one variable explained by a second variable. It is the Pearson correlation coefficient squared (R²). Adjusted R² is a measure of the loss of predictive power or shrinkage in regression. The adjusted R² tells us how much variance in the outcome would be accounted for if the model had been derived from the population from which the sample was taken (Field, 2009).

Table 4.17: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924 ^a	.853	.849	.18210

- a. Predictors: (Constant), External Influence, Spare, Brand name, Image of Car, Price, Accessibility, Emotional Connection, Attributes

Source: Survey Result, SPSS (2016)

The above model summary table show Adjusted R Square is 84.9% which means consumer's purchase decision is explained by the independent variables, Brand name, Product Attributes, price, spare part, Accessibility and External influence. R has the value of 92.4% which represents the overall correlation between customer retention of banks and the customer based brand equity dimensions.

4.3.3 ANOVA

Table 4.18: ANOVA

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	51.483	8	6.435	194.062	.000 ^b
	Residual	8.854	267	.033		
	Total	60.337	275			

a. Dependent Variable: Purchase

b. Predictors: (Constant), External Influence, Spare, Brand name, Image of Car, Price, Accessibility, Emotional Connection, Attributes

The F-ratio in the ANOVA table tests whether the overall regression is a good fit for the model. The result, $F(8, 267) = 194, p < .000$ shows that the independent variables significantly predict the dependent variable, thus the regression model is a good fit of the data.

4.3.4. Test of the Hypothesis

Based on the conceptual framework, the following hypothesis were proposed and will be tested for validity using Multiple Regression analysis.

H1: There is a significant association between brand name and purchase decision.

H2: There is significant relation between attributes and purchase decision

H3: There is a significant association between Emotional connection and purchase decision.

H4: There is significant relation between image of the car and purchase decision

H5: There is significant relation between Accessibility and purchase decision

H6: There is significant relation between price and purchase decision

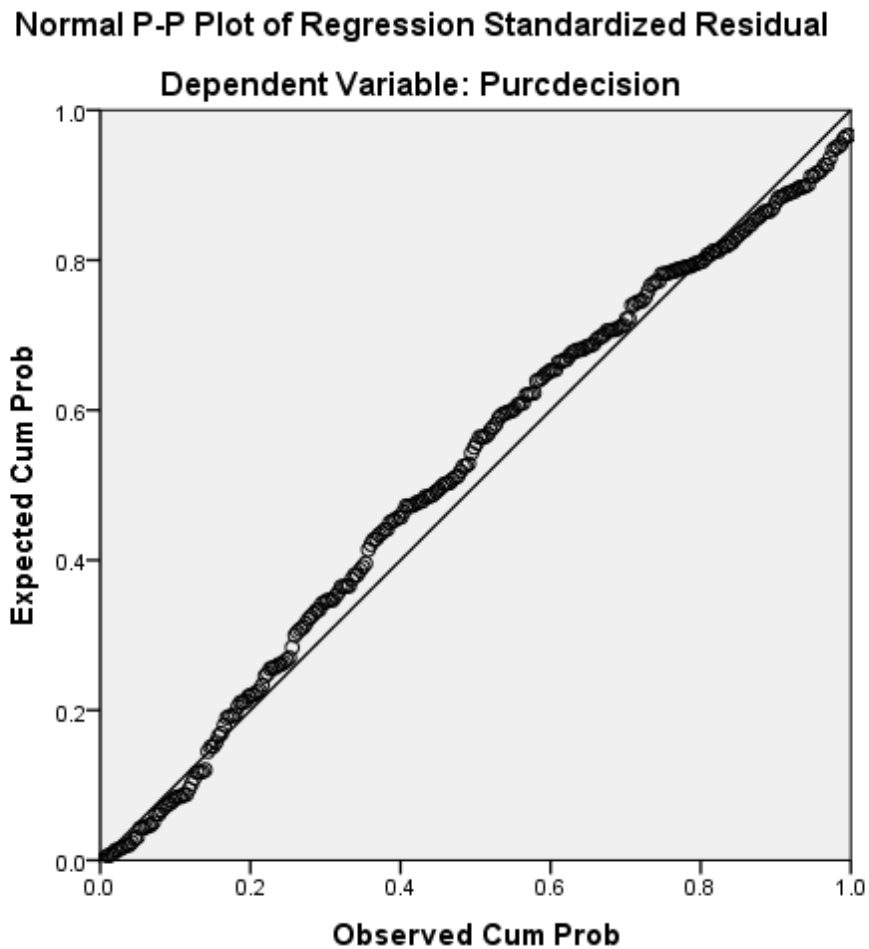
H7: There is a significant association between External influence and purchase decision.

H8: There is significant relation between spare part and purchase decision

4.3.5. Normally Distributed Errors

This assumption states that the residuals in the model are random, normally distributed variables with a mean of 0. This assumption simply means that the differences between the model and the observed data are most frequently zero or very close to zero and that differences much greater than zero happen only occasionally. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Field, 2009).

Figure 4.2 normally distributed Errors



Source: Survey Result, SPSS (2016)

Observing the above plot, the residuals lie in a similar pattern with the diagonal straight line thus it is crystal clear that the residuals have a normal distribution.

4.3.6. Multicollinearity

Multicollinearity may cause an untrustworthy b coefficient which may lead b values to vary across samples and hence, the resulting predictor equations will be unstable across samples. Moreover, Multicollinearity between predictors also makes it difficult to assess the individual importance of a predictor. If the predictors are highly correlated, and each account for similar variance in the outcome, then we can never know which of the two variables important (Field, 2009).

The below table shows the multiple regression result

Table 4.19: Multicollinearity Test

Model	Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.539	.110		4.916	.000		
	Brand name	.118	.017	.219	6.386	.000	.856	1.047
	Attributes	.176	.019	.279	9.094	.000	.585	1.709
	Emotional Connection	.167	.014	.331	11.859	.000	.705	1.418
	Image of Car	.127	.016	.238	7.717	.000	.576	1.736
	Spare	.098	.017	.145	5.663	.000	.834	1.199
	Accessibility	.146	.017	.240	8.612	.000	.710	1.409
	Price	.107	.015	.169	6.969	.000	.933	1.072
	External Influence	.019	.010	.048	1.949	.052	.908	1.101

a. Dependent Variable: Purchase

Source: Survey Result, SPSS (2016)

A good regression model must not have a strong correlation among its independent variables or must not have a multicollinearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 10 and the tolerance level should be more than 0.2 (SPSS Inc, 2007).

As shown on the table above, based on the coefficients output (collinearity statistics), the obtained variance inflation factor (VIF) for all independent variables was found to be between 1 and 10, which means that there is no Multicollinearity problem. Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity poses a problem only for multiple regressions (which is also the case for this study) because simple regression requires only one predictor.

Based on the above multiple regression result, each proposed hypothesis is tested as follows.

H1: There is a significant association between brand name and purchase decision.

According to the above regression result, significant value for brand name is 0.000 which indicates that brand name is significantly affects the purchase decision of customers. Hence the hypothesis H1 brand name affects purchase decision is accepted.

H2: There is significant relation between attributes and purchase decision

According to the table, significant value for product attribute is strong <0.000 which indicates that there is strong relationship between purchase decision and attributes. With beta coefficient .176 and (p-value 0.000) the higher the quality of the attributes of the car the customers decision to purchase will increase. Therefore, H2 is supported, which indicates attributes of the product has direct association with purchase decision.

H3: There is a significant association between Emotional connection and purchase decision.

According to the above regression result, significant value for Emotional connection is less than 0.000 which indicates that emotional connection is significant in affecting purchase decision thus the hypothesis H3 emotional connection affects purchase decision is accepted.

H4: There is significant relation between image of the car and purchase decision

According to the table, significant value for image of the car is significant with $p > 0.000$ and $\beta = 0.127$, which indicates that image of the car has positive effect on the dependent variable purchase decision. Hence the hypothesis H4 is accepted.

H5: There is significant relation between Accessibility and purchase decision

According to the multiple regression result, significant value for product attributes is 0.000 ($\beta = 0.146$), which indicates the effect of accessibility on purchase decision is strong. Therefore, H5 is supported that accessibility of car has direct association with purchase decision.

H6: There is significant relation between price and purchase decision

According to the table, significant value for price is 0.000 ($\beta = 0.107$), which indicates that price of the product has significant effect on purchase decision. Therefore, H6 is supported, which indicates that price of the product has direct association with purchase decision when customers want to purchase a car. This means, if customers are provided with automobile of better and reasonable price, purchase decision will be higher and they will have high intention to buy.

H7: There is a significant association between External influence and purchase decision.

According to the above regression result, significant value for brand name is 0.52 which indicates that external influence is insignificant in affecting purchase decision thus the hypothesis H7 external influence affects purchase decision is rejected and the null hypothesis is accepted.

H8: There is significant relation between spare part and purchase decision

According to the table, significant value for spare part is *p-value* 0.000, which indicates that the existence of significant relationship towards purchase decision. Therefore, H8 is supported, which indicates that the availability reasonable priced spare parts have direct association with purchase decision of car.

4.3.7. Summary of hypothesis testing variables

Table 4.20: Summary of hypothesis test

Hypothesis	Description	Sig 2-tailed	Test
1	There is a significant association between brand name and purchase decision.	0.000	Accept H1
2	There is significant relation between attributes and purchase decision	0.000	Accept H2
3	There is a significant association between Emotional connection and purchase decision.	0.000	Accept H3
4	There is significant relation between image of the car and purchase decision	0.000	Accept H4
6	There is significant relation between price and purchase decision	0.000	Accept H6
7	There is a significant association between External influence and purchase decision.	0.052	Reject H7
8	There is significant relation between spare part and purchase decision	0.002	Accept H8

Source: Survey Result, SPSS (2016)

More over the above table summarized that out of the 8 determinant factors in car purchase decision, 6 of them (Attributes, emotional connection, image of car, price and spare part have effect on customers product purchase decision process.

4.3.8. Multinomial Logistic Regression

A multinomial logistic regression was performed to model the relationship between the car brands selected for this analysis and the predictors. This is done to gauge the association between specific car brand and the determining factors to purchase them. Accordingly, the determining factors in the decision to buy a certain brand of car will be tested against the dependent variable or specifically among the five brands included in this research (Toyota, Suzuki, Hyundai, Chevrolet, Peugeot, and Renault).

Table 4.21: Model of fitting information

Model Fitting Information				
Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	727.640			
Final	624.537	103.102	40	.000

Source: Survey Result, SPSS (2016)

The second row in the table shows the final information on whether the variables in the model explain or predict the dependent variable better than the intercept or alpha. The likelihood ratio of chi-square 103.1 shows with $p\text{-Value}=0.00$ which is much less than 0.05 significance level, the dependent variable is significantly explained by the model and the whole model fits significantly better than the model without predictors.

The significant variables are selected and interpreted in the table below the full regression result can be found in the annex for reference.

Table 4.22: Significant of variables

		Parameter Estimates					
Respondent Car Brand		B	Std. Error	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
						Lower Bound	Upper Bound
Toyota	Intercept	3.230	2.577	.210			
	Brand name	.321	.400	.421	.725	.331	1.587
	Attributes	.261	.539	.628	.770	.268	2.216
	Emotional Connection	.642	.435	.140	.526	.224	1.234
	Image of Car	.717	.473	.130	2.048	.810	5.176
	Spare Part	.920	.550	.094	2.509	.854	7.369
	Accessibility	0.542	.558	.006	.214	.072	.638
	Price	.785	.517	.013	2.193	.796	6.040
	External Influence	.252	.387	.515	1.286	.603	2.746
Suzuki	Intercept	1.457	3.290	.658			
	Brand name	-.093	.502	.852	.911	.341	2.434
	Attributes	.106	.746	.886	1.112	.258	4.796
	Emotional Connection	1.068	.619	.084	2.911	.865	9.790
	Image of Car	.102	.645	.874	1.108	.313	3.918
	Spare Part	-.606	.709	.392	.545	.136	2.188
	Accessibility	-.371	.718	.606	.690	.169	2.820
	Price	.035	.650	.957	1.036	.290	3.699
	External Influence	-.674	.487	.167	.510	.196	1.326
Hyundai	Intercept	5.563	2.755	.043			
	Brand name	-.190	.437	.663	.827	.351	1.946
	Attributes	.318	.581	.584	1.375	.440	4.292
	Emotional Connection	-1.019	.483	.035	.361	.140	.929
	Image of Car	.292	.513	.569	1.339	.490	3.658
	Spare Part	-.133	.593	.823	.876	.274	2.797
	Accessibility	-1.195	.602	.047	.303	.093	.985
	Price	.074	.556	.894	1.077	.362	3.203
	External Influence	.717	.434	.099	2.048	.875	4.794

Source: Survey Result, SPSS (2016)

From the first row in the table the parameter estimates or the beta coefficient for Toyota car brand is positive and significant price and spare part is strong and significant

The above table shows the parameter result of the regression. From the first row in the table the beta coefficients of price and spare part is strong and significant for Toyota brand. The result revealed that the more the price of car is reasonable the chance of being chosen by a

customer increases by 86%. Same is true for spare part, a percentage change in the availability and the price of spare part reflects 39% increase in consumers demand for the brand. The other determinant factors in the estimate are insignificant and weak. This shows the majority of the customers of Toyota brand are influenced by the reasonability and availability of the car and its spare parts.

CHAPTER FIVE

Conclusion and Recommendation of the Study

5.1 Introduction

The fifth and last chapter of this study revolves around the major findings of the study and what we can conclude from the findings and give recommendation based on these findings. This chapter, moreover, highlighted the limitations of this work and indicated future research areas for anyone interested in the applicability of consumer based brand equity in retaining customers.

5.2. Conclusion

The testing results provide practical insights for vehicle manufacturers and dealers to develop and execute more effective strategies in targeting what consumers want according to their purchasing behavior. The test result showed that consumers are highly influenced by the price of the car which indicates that price of the product has direct association with purchase decision of customers.

In addition, the attributes (comfort, safety, and reliability) of the car have high influence in purchase decisions the most important factor that influences their decision on buying a car. Thus, this indicates the importance of improving car's reliability safety comfort to gate higher demand on the market. Besides, automobile companies have to work together and cooperate with automobile manufacturers since automobile manufacturers enhance the car's reliability and the marketing department of automobile companies has to increase the awareness of consumers regarding the car's reliability.

According to the regression result, significant value for Emotional connection is strong hence customers are influenced by emotional connection and association of the brand. In addition, the research found that there is significant relation between image of the car and purchase decision.

Also, the test results of the research show that there is significant relation between spare part and purchase decision. Hence customers tend to buy that the availability reasonable priced spare parts have direct association with purchase decision of car.

On the other hand, the study findings indicate that customers are list influenced by external influences like advertisements and dealers marketing activities.

5.3. Recommendations

Based on the above findings of the paper, the researcher forwards the following comments to automobile dealers and manufacturers.

- Dealers have to import and sell reasonable priced cars with spare parts accessible and cheap
- Both dealers and manufacturers have to give focus on the attributes (comfort, safety, and reliability) of the car and produce or import cars with good comfort, safety and reliability.
- Dealers have to give focus for advertisement since car owners gained little information about the products through advertisements.
- Dealers have to provide better maintenance service and should import cars that have accessible spare parts.
- Image of the car and emotional connection with the brand should also be enhanced by the dealers and manufacturers, since this are among the significant factors in customers purchase decision process.

5.4 Limitation and Future Research

This finding of this study is based entirely upon the research conducted on the selected automobile retailer's market only (Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot). This study should be carried out on a wider scale taking sample from the different dealers' brand and second-hand vehicle brands and must be done with probability sampling techniques in order to overcome limitation of the study.

Future researchers can investigate brand choices by including other factors that might influence brand choice. In addition, researchers could find out more about brand preference by applying additional statistical techniques like factor analysis.

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Appendix One Questionnaire in English

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF MARKETING MANAGEMENT

An Investigation of Determinant factor of Automobile Brand Choice: The case of Ethiopian Automotive Retailer Market

My name is Sisay Alemayehu and I am a graduate student at Addis Ababa University College of Business and Economics School of Commerce Department of Marketing Management. The study is for academic purpose, as a partial requirement for a master's in Marketing Management program. I am conducting a research to investigate the determinant factors of automobile brand choice especially in Ethiopia.

The following questionnaire will require a few minutes to complete. There is no compensation for responding. In order to ensure that all information will remain confidential, please do not include your name

The questionnaire will attempt to find out the reasons for choosing brand of vehicle to buy. The researcher will not identify you by name in any report using information obtained from your questionnaire; your confidentiality as a participant in this study will remain secure. Subsequent uses of data generated by this questionnaire will protect the anonymity of all individuals. If you have any questions regarding the survey or this research project in general, please contact via contact detail provided below. Indeed, your participation is voluntary and if you choose not, you have the right not to participate in the study.

Let me thank you in advance for the time and effort required to fill out the questionnaire and to assure you that your participation is greatly appreciated.

Yours Sincerely,

Sisay Alemayehu

Mobile: +251 911452481 Email: sisayalemayehu@gmail.com

Research Questionnaires

The questionnaire consists of two parts. Part one requests personal information about you which is required for statistical analysis purpose only. Part two requests your opinion on determinants of automotive brand choice.

PART ONE: PERSONAL (BIBLIOGRAPHIC) DATA

Please Mark “√” before your Choice for Each Question.

1. Age
18 – 30 31 – 45 46 - 60 60 and above

2. What is your gender?
Male Female

3. What is your monthly income (Birr)?
Less than 10,000 11,000 – 30,000
31,000 – 50,000 51,000 - 60,000
More than 60,000

4. What is your occupation?
Self – Employed NGO and International Co. Pensioner
Private Government Organization

5. What is the highest level of your educational attainment?
Less than high school
High school graduate (includes equivalency)
Some college, no degree
Bachelor's degree
Master's degree

Doctoral degree
Others

PART TWO: DETERMINANTS OF AUTOMOBIL BRAND CHOICE

1. What Brand of car do you drive?

Toyota, Suzuki, Hyundai, Chevrolet, Renault, and Peugeot

- | | |
|----------------------------------|------------------------------------|
| <input type="checkbox"/> Toyota | <input type="checkbox"/> Chevrolet |
| <input type="checkbox"/> Suzuki | <input type="checkbox"/> Renault |
| <input type="checkbox"/> Hyundai | <input type="checkbox"/> Peugeot |

2. When you bought the car, was it your own decision or a collective decision?
(You can select more than one choice)

- It was my own decision
- It was a joint family/friend decision
- It Brand representative (celebrity)
- Professional's decision
- Advertisement
- Others -----

3. Did you seek any opinion as to which brand car to buy from others?

- | | |
|--|--|
| <input type="checkbox"/> Yes, I did | <input type="checkbox"/> No, I did not |
| <input type="checkbox"/> Yes, I did some times | <input type="checkbox"/> never |

4. How far the opinion of others shaped your purchase decision?

- | | | |
|---|-----------------------------------|-------------------------------------|
| <input type="checkbox"/> Greater extent | <input type="checkbox"/> Very | |
| <input type="checkbox"/> Moderately | <input type="checkbox"/> Slightly | <input type="checkbox"/> Not at all |

5. Did you search attribute information about the car brands you were not previously aware of?

- | | | |
|-------------------------------------|--|--|
| <input type="checkbox"/> Yes, I did | <input type="checkbox"/> I did, but not much | <input type="checkbox"/> No, I did not |
|-------------------------------------|--|--|

6. Would you rank five brand cars?

1. -----
2. -----
3. -----
4. -----

5. -----

Below are a number of determinants of automotive brand choice. Please indicate your opinion (Please mark just one appropriate box)

1 = Strong Disagree 2 = Disagree 3 = Undecided 4 = Agree 5 = strongly Agree

No.	Determinants of dealers	1	2	3	4	5
7	Brand choice					
7.1	I usually buy because of country of origin					
7.2	I believe that a well-known branded car is always better in quality than a lesser-known brand					
7.3	Some automotive car dealers' persuasiveness influences my choice of purchase					
8	Attributes					
8.1	I buy a car which is powerful/comfortable					
8.2	I choose a car which reliability					
8.3	I choose a car which has good reputation					
8.4	I choose my car because of safety					
9	Emotional connection					
9.1	I buy a car from recommended dealer because of family/friend					
9.2	I believe that using a branded product signifies social acceptance					
9.3	My car brands reflect my self-respect					
10	Image of car					
10.1	I choose a car with a unique feature					
10.2	I choose my car brand cause of most innovative features					
10.3	I buy a car because of its country of origin					
11	Spare Part					

11.1	I buy cars from a dealer which spare part is widely available					
11.2	I buy car from a dealer which spare part is cheap					
11.3	I buy a car from a dealer spare part price is reasonable					
12	Accessibility					
12.1	I prefer a car dealer which is widely accessible outlets					
12.2	I buy car from a dealer which have good will					
12.3	I choose car dealer which provides technical facilities and information					
12.4	I buy a car from a dealer because of ambiance of service center					
13	Price					
13.1	I buy a car which is reasonable priced					
13.2	I buy a car without considering the price					
13.3	My brand of car gives me value for money					
14	External influence					
14.1	I buy a car influenced by advertisements (promotions)					
14.2	I buy a car from where a dealer that customer service re-defined at the dealership level					
14.3	I am more likely to visit a dealership after watching the advertisement.					

Thank you!

የአማርኛ መጠይቅ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት የገበያ ጥናት አመራር ትምህርት ክፍል

የጥናት መጠይቅ

የጥናት መጠይቅ የመሸኛ ደብዳቤ

በኢትዮጵያ የአውቶሞቲቭ ሽያጭ ገበያ የአውቶሞቢል ብራንድ ምርጫን ለመወሰን
የሚያስችሉ ምክንያቶች ምርመራ

ሥሜ ሲሳይ አለማየሁ ይባላል። በአዲስ አበባ ዩኒቨርሲቲ የቢዝነስ እና ኢኮኖሚክስ ት/ቤት የኮሚሽን ዲፓርትመንት የማርኬቲንግ ማኔጅመንት ተማሪ ነኝ። ጥናቱ በማርኬቲንግ ማኔጅመንት የማስተርስ መርኻ ግብር የትምህርት አላማ የማማያ ጥናት የተደረገ ነው። ጥናቱን የካሄድኩት በተለይም በኢትዮጵያ የአውቶሞቲቭ ሽያጭ ገበያ የአውቶሞቢል ብራንድ ምርጫን ለመወሰን የሚያስችሉ ምክንያቶች ለመወሰን ነው።

የሚከተለው መጠይቅ ምላሽ ሰጥቶ ለማጠናቀቅ ጥቂት ደቂቃዎች ብቻ ይወስዳል። ሁሉም መረጃዎች በሚስጥርነት ተጠብቀው እንዲቆዩ እባክዎ ስምዎን አያካቱ።

መጠይቁ የሚገዙትን ተሽከርካሪ ብራንድ የሚመርጡበት ምክንያት ምን ማለት እንደሆነ ለማወቅ ጥረት ያደርጋል። የጥናቱ አከናዎኝ በመጠይቁ ላይ ከሰጡት መረጃ ተነስቶ ስምዎን ለመለየት አይችልም። በዚህ ጥናት ላይ በመሳተፍ የማሰጡት መረጃ በሚስጥርነት ተጠብቆ የሚቆይ ይሆናል። በቀጣይ ከዚህ መጠይቅ የሚነመነጨ መረጃዎች የመላሹን ግለሰብ ማንነት የማየማይገልጹ እና በሚስጥር የሚጠበቅ ይሆናል። ስለዚህ ጥናት ወይንም ስለ ጥናቱ ፕሮጀክት በአጠቃላይ ጥያቄ ካለዎት እባክዎ ከዚህ በታች በተገለፀው አድራሻ ይገናኙኝ። በእርግጥም የእርሶ በዚህ ጥናት ላይ መሳተፍ በሙሉ ፈቃደኝነትዎ ላይ የተመሰረተ እና ፍላጎትዎ ካልሆነ በዚህ ጥናት ላይ ያለመሳተፍ ሙሉ መበት አለዎት።

በቅድሚያ ይህንን መጠይቅ በመሙላት ለሰጡኝ ጊዜ እና ላሳዩት ጥረት የላቀ አድናቆት እንዳለኝ ለመግለጽ ይረዳኝ ዘንድ የከበረ ምስጋናዬን እንዳቀርብ ይፈቀድልኝ።

ከሰላምታ ጋር

ሲሳይ አለማየሁ

ሞባይል: +251911452481

ኢሜይል: sisayalemayehu@gmail.com

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የጥናት መጠይቅ

መጠይቁ ሁለት ክፍሎችን አካቷል። ክፍል አንድ እርሶን የተመለከቱ ግለ መረጃዎች የያዘ እና ለስታቲስቲክስ/የሂሳብ ስሌት አላማ ብቻ የሚውል ነው። ክፍል ሁለት በአውቶሞቢል ብራንድ ምርጫ ላይ እንዴት መወሰን እንደሚችሉ የእርሶን ሃሳብ የሚጠይቅ ነው።

ክፍል 1: ግለ (የግል ዝርዝር) መረጃ

1. እድሜ:

18-30

31-45

46-60

60 እና ከዛ በላይ

2. ጾታ:

ወንድ

ሴት

3. ወርሃዊ ገቢዎ ምን ያህል ነው? (በብር)

ከ10,000 በታች

11,000-30,000

ከ31,000 — 50,000

51,000-60,000

ከ60,000 በላይ

4. ሥራዎ ምንድን ነው?

የራስ ስራ ፈጠራ

መንግስታዊ ያልሆነ ወይም አለማቀፍ ድርጅት

የግል

የመንግስት ድርጅት

ጡረተኛ

5. ከፍተኛ የትምህርት ደረጃዎ ምን ድረስ ነው?

ከሁለተኛ ደረጃ በታች

የሁለተኛ ደረጃ ጨርሻለሁ (ተስተካካይ)

ጥቂት ኮሌጆች ዲግሪ ግን የለኝም

የባችለር ዲግሪ

ዲክትሬቶል ዲግሪ

ሌላም



ክፍል 2 የአውቶሞቢል ብራንድ ለመምረጥ የሚረዳዎ ምክንያቶች

1. የሚያሸከረክሩት መኪና ብራንድ ምንድን ነው?

ቶቶታ፣ ሱዙኪ፣ ሃዮንዳይ፣ ቬቨሮሌት፣ ሬኖልት እና ፔጆት

- ቶቶታ ቬቨሮሌት
- ሱዙኪ ሬኖልት
- ሃዮንዳይ ፔጆት

2. መኪናዎን ሱገዙ የራስዎ ብቻ ውሳኔ ነበር ወይንስ በጋራ ነው የተወሰነው?

(ከአንድ በላይ ምርጫ ሊመርጡ ይችላሉ)

- የኔ ውሳኔ ብቻ ነበር
- የቤተሰብ የጋራ /የጓደኛ ውሳኔ ነበር
- ብራንዱ ሌሎችን ሊወክል የሚችል ነው (ለምሳሌ ሥመጥር ሰዎችን)
- ሙያዊ ውሳኔ ነው
- በማስታወቂያ የተወሰነ ነው
- ሌላም (ካለ) _____

3. ከሌሎች ስለሚገዙት መኪና ብራንድ ማንኛውንም አይነት አስተያየት ይፈልጋሉ?

- አዎ እፈልጋለሁ ጠይቄ አላውቅም
- አዎ አልፎ አልፎ በጭራሽ ጠይቄ አላውቅም

4. የሌሎች አስተያየት የእርሶን የመግዛት ውሳኔ እስከምን ድረስ ይቀርባል?

- በከፍተኛ ሁኔታ በጣም በፍፁም
- መካከለኛ በጥቂቱ

5. ከዚህ በፊት እርሶ ስለማያውቁት የተሽከርካሪ ብራንድ መረጃ ፈልገው ያውቃሉ??

- አዎ አውቃለሁ አዎ አውቃለሁ ግን ያን ያህል አይደለም
- አላውቅም

6. ስድስት የመኪና ብራንዶችን በደረጃ ቅደም ተከተል ያስቀምጣሉ??

1.
2.
3.
4.
5.



ከዚህ በታች የመኪና ብራንድ ለመምረጥ የሚያስችሉ ጥቂት የመወሰኛ ምክንያቶች ናቸው።
 እባክዎ ምርጫዎ ላይ ምልክት በማኖር ያመልክቱ (እባክዎ አንድ ሳጥን ላይ ብቻ ምርጫዎን ያመልክቱ)

ተራ ቁ	ገገሮች የመወሰኛ ዘዴዎች	1	2	3	4	5
7.	የብራንድ ምርጫ					
7.1.	የምትገዛው በአብዛኛው በተሰራበት ሃገር ምክንያት ነው					
7.2.	በደንብ የሚታወቁ የመኪና ብራንዶች ከማይታወቁት ይልቅ የተሻለ ጥራት አላቸው ብዬ አምናለሁ።					
7.3.	የተወሰኑ የአውቶሞቲቭ ሻጮች አሳማኝነት በምትገዛው ምርጫ ላይ ተጽእኖ አሳድሯል።					
8.	መግለጫ ባህሪያት					
8.1.	የምትገዛው መኪና ጉልበት ያለው እና ምቹ ነው።					
8.2.	አስተማማኝ መኪናን እመርጣለሁ					
8.3.	ጥሩ ዝና እና ስም ያለው መኪና ምርጫዬ ነው					
8.4.	መኪናዬን የመረጥኩት በደህንነቱ ነው					
9.	ስሜታዊ ሁኔታዎች					
9.1.	መኪና የምትገዛው ከቤተሰብ/ጓደኛ በኩል ከተዋወቅኩት ሻጭ ነው					
9.2.	ብራንድ ያለው ምርትን መጠቀም ማዕብራዊ ተቀባይነትን ያሳያል ብዬ አምናለሁ					
9.3.	የተሽከርካሪዬ ብራንድ ለኔ ያለኝን የራስ ክብር ያንፀባርቃል					
10.	የመኪና ምስል					
10.1.	መኪናዬን የመረጥኩት ባለው የተለየ ይዘት ነው					
10.2.	የመኪናዬን ብራንድ የመረጥኩት ባለው የፈጠራ ይዘት ነው					
10.3.	መኪና የምገዛው ለተሰራበተ ሃገር ስል ነው					



11.	መለዋወጫ					
11.1.	መኪናዬን ከሻጩ የምገዛው መለዋወጫው በስፋት ስለሚገኝ ነው					
11.2.	መኪና ከሻጮች የምገዛው መለዋወጫ ርካሽ ስለሆነ ነው					
11.3.	መኪና ከሻጭ የምገዛው የመለዋወጫ ዋጋ ሚዛናዊ ስለሆነ ነው					
12.	በቀላሉ ለመገኘት መቻል					
12.1.	ስፋት ያለው የመሸጫ አማራጭ ያለው መኪና ሻጭ እመርጣለሁ					
12.2.	መልካም ከሆነ የመኪና ሻጭ መግዛት እመርጣለሁ					
12.3.	ቴክኒካል አቅርቦት እና በቂ መረጃ የሚሰጥ የመኪና ሻጭ ምርጫዬ ነው።					
12.4.	ከመኪና ሻጭ ተሽከርካሪ የምገዛው በቂ የአገልግሎት መስጫ መእከል ስላለው ነው					
13.	ዋጋ					
13.1.	የተገናዘበ ዋጋ ያለው መኪና እገዛለሁ					
13.2.	መኪና ስገዛ ዋጋውን ከግምት ውስጥ ሳላስገባ ነው					
13.3.	የተሽከርካሪ ብራንድ የገንዘብን ዋጋ ይሰጠኛለ					
14.	ውጫዊ ተጽእኖ					
14.1.	መኪና የምገዛው በማስታወቂያው ተስቤ ነው					
14.2.	መኪና የምገዛው ሻጩ ለደምበኞች አገልግሎት በሻጩ ደረጃ የሚሰጥ ከሆነ ነው					
14.3.	ማስታወቂያውን ካቀረበ በኋላ ሻጮችን መገባዘንት በብዛት እፈጽማለሁ።					

አመሰግናለሁ



Vehicle population

Annual Vehicle Statistics 2016

MOTOR VEHICLE POPULATION BY VEHICLE TYPE

End of Period (Year)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Cars & Station-wagons	472,308	514,685	550,455	576,988	595,185	603,723	617,570	621,345	616,609	602,311	601,257
i) Private cars	421,904	451,745	476,834	497,116	511,125	520,814	535,233	540,063	536,882	519,845	504,180
ii) Company cars	15,828	16,954	18,248	18,874	19,733	20,372	21,403	21,756	21,860	21,987	22,382
iii) Tution cars	928	949	978	1,011	940	919	899	897	874	841	817
iv) Rental cars	9,235	11,054	12,391	12,763	13,347	13,919	14,862	16,396	18,847	29,369	51,336
v) Off peak cars ¹	24,413	33,983	42,208	47,224	50,040	47,899	45,173	42,233	38,146	30,469	22,562
2 TAXIS	23,334	24,446	24,300	24,702	26,073	27,051	28,210	27,695	28,736	28,259	27,534
3 MOTORCYCLES & SCOOTERS	141,881	143,482	145,288	146,337	147,282	145,680	143,286	144,307	144,404	143,279	142,439
4 GOODS AND OTHER VEHICLES ²	132,841	138,604	142,966	144,802	143,613	145,158	145,046	144,202	144,507	143,972	143,966
i) Goods-cum-passenger vehicles (GPVs)	5,439	5,074	4,941	4,771	4,570	4,402	4,144	3,168	2,868	2,997	2,992
ii) Light Goods Vehicles (LGVs)	87,805	91,945	94,045	95,185	93,999	94,710	93,914	92,317	92,731	94,016	95,750
iii) Heavy Goods Vehicles (HGVs)	28,983	30,207	31,383	31,884	31,869	32,297	32,313	32,549	32,198	30,155	28,817
iv) Very Heavy Goods Vehicles (VHGVs)	10,614	11,378	12,597	12,962	13,175	13,749	14,675	16,170	16,712	16,804	16,407
5 BUSES	13,831	14,192	14,976	15,659	15,936	16,652	16,768	17,065	17,109	17,740	18,338
i) Omnibuses	3,785	3,761	3,854	4,045	3,981	4,112	4,212	4,552	4,756	5,120	5,470
ii) School buses (CB)	1,881	1,851	1,852	1,849	1,845	1,844	1,839	1,847	1,845	1,847	1,840
iii) Private buses	2,577	2,628	2,739	2,795	2,842	3,076	2,968	2,871	2,802	2,717	2,659
iv) Private hire buses	3,189	3,356	3,548	3,586	3,507	3,332	3,063	2,854	2,152	1,909	1,598
v) Excursion buses	2,399	2,596	2,983	3,384	3,761	4,288	4,688	5,141	5,554	6,147	6,771
6 TAX EXEMPTED VEHICLES ³	15,178	15,927	16,697	17,030	17,740	18,440	19,030	19,556	20,672	21,685	22,896
i) Cars & Station-wagons	2,409	2,356	2,391	2,383	2,561	2,557	2,441	2,343	2,414	2,411	2,508
ii) Motorcycles and scooters	855	858	832	878	878	879	824	827	822	821	613
iii) Buses	289	338	351	364	373	394	394	444	445	443	466
iv) Goods & Other Vehicles	11,625	12,375	13,123	13,405	13,928	14,610	15,371	16,142	17,191	18,210	19,311
7 TOTAL MOTOR VEHICLES											
Cars & Station-wagons	485,482	505,987	540,455	586,808	584,399	582,361	605,149	607,292	600,178	575,353	552,427
Rental Cars	9,235	11,054	12,391	12,763	13,347	13,919	14,862	16,396	18,847	29,369	51,336
Taxis	23,334	24,446	24,300	24,702	26,073	27,051	28,210	27,695	28,736	28,259	27,534
Buses	14,120	14,530	15,327	16,023	16,309	17,048	17,162	17,509	17,554	18,183	18,804
Goods & Other Vehicles	144,466	150,979	156,089	158,207	157,541	159,768	160,417	160,344	161,898	162,182	163,277
Motorcycles & Scooters	142,736	144,340	146,120	147,215	148,160	146,559	144,110	144,934	145,026	143,900	143,052
ALL MOTOR VEHICLES (TOTAL)	799,373	851,336	894,682	925,518	945,829	956,704	969,910	974,170	972,037	957,246	956,430

Note : ¹ Off peak cars include weekend cars and revised off peak cars which was implemented on 25 Jan 2010.

² LGV (max laden weight <= 3.5mt), HGV (max laden weight 3.5mt - 16mt), VHGV (max laden weight > 16mt).

³ Tax exempted vehicles include vehicles registered with exemption of road tax payment, vehicles for off-the-road use and engineering plants, etc..

Respondents' Purchase decision with Brand name

		Correlations	
		Purchase decision	Brand name
Purchase decision	Pearson Correlation	1	.415**
	Sig. (2-tailed)		.000
	N	276	276
Brand name	Pearson Correlation	.415**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Attributes

		Correlations	
		Purchase decision	Attributes
Purchase decision	Pearson Correlation	1	.711**
	Sig. (2-tailed)		.000
	N	276	276
Attributes	Pearson Correlation	.711**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Emotional Connection

		Correlations	
		Purchase decision	Emotional Connection
Purchase decision	Pearson Correlation	1	.662**
	Sig. (2-tailed)		.000
	N	276	276
Emotional Connection	Pearson Correlation	.662**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Image of Car

Correlations			
		Purchase decision	Image of Car
Purchase decision	Pearson Correlation	1	.727**
	Sig. (2-tailed)		.000
	N	276	276
Image of Car	Pearson Correlation	.727**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Spare

Correlations			
		Purchase decision	Spare
Purchase decision	Pearson Correlation	1	.528**
	Sig. (2-tailed)		.000
	N	276	276
Spare	Pearson Correlation	.528**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Accessibility

Correlations			
		Purchase decision	Accessibility
Purchase decision	Pearson Correlation	1	.704**
	Sig. (2-tailed)		.000
	N	276	276
Accessibility	Pearson Correlation	.704**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with Price

		Correlations	
		Purchase decision	Price
Purchase decision	Pearson Correlation	1	.811**
	Sig. (2-tailed)		.000
	N	276	276
Price	Pearson Correlation	.611**	1
	Sig. (2-tailed)	.000	
	N	276	276

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

Respondents' Purchase decision with External influence

		Correlations	
		Purchase decision	External Influence
Purchase decision	Pearson Correlation	1	.514**
	Sig. (2-tailed)		.000
	N	276	276
External Influence	Pearson Correlation	.514**	1
	Sig. (2-tailed)	.000	
	N	276	276

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