ST. MARY'S UNIVERSITY

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**FACTORS AFFECTING CONSUMER AUTMOBILE PREFERANCE OF
INTERNATIONAL BRAND VERSUS LOCAL BRAND:**

THE CASE OF ARADA SUB-CITY

BY

BIZU TESAFA

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ADDIS ABABA, ETHIOPIA

1

FACTORS AFFECTING CONSUMER AUTOMOBILE PREFERANCE OF INTERNATIONAL BRAND VERSUS LOCAL BRAND:

IN THE CASE OF ARADA SUB-CITY

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Declaration

I, the undersigned graduate student, hereby declare that this thesis is my original work, prepared under the guidance of Tesfaye Wolde (PhD). All sources of the materials used for this thesis have been duly acknowledged. I further confirm that this thesis has not been submitted for a degree in any other university.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of graduate studies for examination with my approval as a university advisor.

Tesfaye Wolde (PhD)   _____

Advisor   Signature

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Table of Contents

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List of Acronyms

AMCE ---Automotive manufacturing Company of Ethiopia

WOM---Word of Mouth

COO--Country of Origin

AC--- Air Conditioner

List of Table

List of Figure

Abstract

- *The objective of this study was to investigate Arada sub-city automobile owners, brand preference comparing international automobile brand with locally assembled automobile brands. Hence, this study tries to answer whether automobile owners prefer foreign brands over local brands due to the influence of western culture, Product attribute or Price of product. In order to find out the brand preference of Arada sub-city automobile owners, the study considered three factors namely brand equity consumers attributes and Product attribute. These factors had sub elements which included ten dimensions. The research used descriptive research design and primary data was collected using questioner. To assess the factors influence, a sample size of 200 was selected using convenience sampling technique. Based on the theoretical frame work and objectives of the study 34 items were provided in a 5 point Likert scale to the respondents. The analysis revealed that product attributes and price were the major criteria for selecting automobile and friends or family and the internet were the major sources of information from where automobile owners get to know new about automobile brands. In addition brand equity and product attribute dimension ware the major influential factor than consumer attribute. The study concludes that international brand are more preferable by their product attribute, and consumers perceive that international brand has a better quality than local. Product attributes and brand equity dimensions were more influential factor in automobile brand preference than consumer attribute dimensions. Finally the study recommend that local automobile assembling/manufacturing/ must provide automobile brands that are perceived to be high quality, concentrate on creating brand awareness, must improve their product quality, build their brand equity and Local companies could also try to do with franchising with international automobile manufacturer by establish patent relationships to manufacture patented international automobile brands.*

CHAPTER ONE

1. INTRODUCTION

1.1 Back Ground of the Study

For companies to attain commercial success, it is important to understand consumer behavior. The relationship between consumer behavior and marketing strategy is emphasized because the success of companies' marketing strategies depends upon managers' understandings of consumer behavior (understanding of consumer behavior is especially important during a recession (*Kotler and Caslione, 2009)*. Consumer buying decisions indicate how well the company's marketing strategy fits market demand.

Thus, marketing begins and ends with the consumer. The study of customer behavior is based on consumer buying behavior, with the customer playing three distinct roles: user, payer and buyer.

Consumer behavior involves the psychological processes that consumers go through in recognizing their needs, finding ways to solve these needs, making purchase decisions (e.g., whether to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product).

Consumer behavior research attempts to understand the buyer decision-making process, both individually and collectively. It studies individual consumer characteristics such as demographics and behavioral variables in an attempt to understand people's wants. Consumer behavior research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency.

One of the current fundamental assumptions in consumer behavior research is that individuals often purchase products for their subjectively perceived values rather than their primary functions.

This does not mean that the products' basic functions are not important, but that the contemporary role of a product is more than its basic use-value (Solomon, 2004). Frequently, consumers do not rate products according to their core attributes (i.e., the primary utility they provide) but, above all, according to the so-called real product (i.e., a particular products' qualities) and the extended product, which represents the set of intangible factors that confer a desired perceived advantage on the consumer – including image, consultancy, and after-sale service (Foret&Procházka, 2007).In sum, modern marketers first attempt to understand consumers and their responses and then study the basic characteristics of their behavior. Studying consumer behavior helps to ascertain who the customers are, what they want, and how they use and react to the product.

Ethiopia has 84,000 registered vehicles for 90,000,000 total population and most of them are imported. Ethiopian Automobile markets are dominated by second hand imported automobiles particularly TOYOTA brand. Second hand vehicle in Ethiopia automobile market tend to appreciate in value due to the high import duties and limited supply of automobile. Approximately 85% automobile are second hand import of which almost 90% are Toyota.(news Africa-business .com).

According to the Federal Transport Authority, which says 10,404 vehicles of all types were imported during fiscal 2011-2112. However, it notes an estimated 1,500 additional vehicles likely were smuggled in. Due to growing demand for personal transportation and an increasing focus on manufacturing to sustain economic growth, Ethiopian government wants the country to become an important car-building hub in the coming years.

The government plans to full car production within the coming year. The target is in line with the country's 5-year Growth and Transformation Plan for 2011-2015 that calls for 85% local content in locally produced cars by 2020. (Workneh, director general of MIDI,)

1.2. Statement of the Problem

Consumer behavior is the study of the processes involved when individual or groups select, purchase, use, or dispose of the product, service, ideas or experiences to satisfy needs and desires Michael R.(Solomon, 1998, p. 31). The expand view of consumer

embrace much more than the study of why and what consumer buy, but also focuses on how marketer influence consumers and how consumers use the products and services. Consumer decision making is a complex phenomenon. Making a decision to buy a product or services get involved many process. Selection of durable products, especially commercial and other vehicles, the customer has to spend much time to evaluate and choose the desired one based on their need and economic condition. The idea of understanding consumer behavior as a sequential decision making process is one that is common in marketing. Ethiopian government gives support to automotive industry sector to transform fully manufacture. The goal is to encourage consumers to buy more vehicles built in the country by focusing on import substitution. The need is to change the mindset in Ethiopia into buying locally assembled cars. (Workneh,2011).

Consumers are becoming more interested to buying international brands than local brands since the influence by the western world is becoming stronger (Samiee , 1994). Consumers of developing countries prefer foreign brands, especially from the west, not only of perceived quality but also as indication of social status (Al-Sultaiti et al., 1998). Thus a brand's country of origin serves as prove of product quality and people buy such brands for status enhancing reasons (Al-Sultaiti et al., 1998). Consumers of developing countries also view foreign brands as having superior and excellent quality compared to local brands. Moreover automotive industry in Ethiopia is in starting phase and emerging to the Market recently which it requires tremendous amount of marketing effort to keep and grow market share.

However, the responsible bodies need to encourage automotive industries to promote from semi assembling to fully manufacturer industries as well as substitute to imported vehicles by locally manufactured vehicles, it is a vital issue to identify factors affecting consumers automobile preference of locally assembled or imported.

Thus, study on automobile preference has immense value to automotive manufacturing companies through providing actual information about Automobile preference, these in turn help them better understand of their target consumers and designing market offers according to the need and want of their target consumers. Based on these basic questions, the

researcher has developed an interest to study the factors contributing consumer preference of automobile international brand versus local brand in Ethiopia.

1.3 Research Question

1. What type of brand of automobile the consumers mostly prefer? Why?

2. What are the factors that drive consumers' brand preference of automobiles?

3. Does the brand equity(brand awareness, Brand loyalty ,perceived quality and brand association) affect brand preference

4. What are the selection criteria of automobiles among consumers?

5. Does Imported or Local assembled brand charge higher price?

6. To what extent the product attributes affect the consumer choice of the automobile brand.

1.4. **Objective of the Study**

1.4.1 General Objective of the Study

The general objective of this study is to identify factors affecting consumer preference of automobile international brand over local brand

1.4.2. Specific Objective

1. To identify what type of automobile brand mostly preferred by consumer.

2. To identify the factors contributing to automobile brand preference.

3. To find out the selection criteria of automobile consumer.

4. To examine weather Brand equity affect or not automobile brand preference

5. To examine imported or local assembled/ manufactured/ automobile charged higher price

6. To find out to what extent the product attributes influence consumers automobile preference.

1.5. Significance of the Study

This study will be important to different individuals and organizations. The significance of the study is listed below:

- Finding of the study will be useful and important among students and academician as an input for doing similar research in this field in the future.

4

- This study will be useful to both local and foreign automobile manufacturers and retailers since they can identify the brand preference of consumers.

1.6. Scope of the Study

Due to the fact that having time and finance constraints this study will only cover Arada sub-city people owns automobile brand preference which is a small portion of Addis Ababa city. Therefore, the findings of this research might not be the reflection of brand preference for the whole of Addis Ababa.

1.7. Limitation of the Study

One of the major limitations of this study is the sample coverage. The population of the study was on Addis Ababa city that owns automobile. Since, this target population is very large only Arada sub-city who own automobile was considered. Taking only Arada sub-city might not represent or reflect the brand preference of all Addis Ababa people who have automobile. However, due to time and financial limitations other consumers are not included in this study.

1.8. Structure of the Study

The study report of this research structured as follows. The first chapter provides a general introduction of the study including background of the study, statement of the problem, basic research questions, and objectives of the study, significance of the study and scope of the study. Chapter two presents literature review related to the study. Chapter three provides the research design part of the study, in which it includes research methodology and the adopted research design for the study. Chapter four presents results and analysis of findings. Finally, chapter five presents study"s conclusions part that encompasses summaries of major findings, conclusions, recommendations, significance and delimitation of the study.

CHAPTER TWO

2. RELATED LITERATURE REVIEW

2.1. Theoretical Review

This chapter aims to provide a review of related literature. In line with the objectives of this study, this chapter covers concepts related to brand, brand preference, brand equity, consumer behavior, country of origin and factors affecting automobile preference. In addition to these the findings of previous research from different authors as well as the theoretical framework of this study is also included.

Consumer choice behavior has some important prevailing conditions that must be taken into account while studying choice. In the light of the classical problem solving buying behavior, consumers engage in information search before making the actual choice. Consumer decision making process is usually guided by already formed preferences for a particular alternative. This means that consumers are likely to make the choice between alternatives based on limited information search activity and without detailed evaluation of the other alternatives (Alba and Hutchinson, 2000; Chernev, 2003).

In close relation to information search, evaluation of alternatives has also gained a momentum in recent research (Laroche, Kim and Matsui, 2003). Their study on consumer's use of five heuristics (conjunctive, disjunctive, lexicographic, linear additive, and geometric compensatory) in the consideration set formation found that conjunctive heuristics is the most often used decision model in the consideration set formation for product classes in the study. Conjunctive heuristics means that a consumer selects a motor vehicle model only if it meets acceptable standards, the so-called cutoff point on each key attribute consumer regards as important (Assael, 1995, p. 249; Solomon, 2001, p. 280). In this non-compensatory method of evaluation, a consumer would eliminate a motor vehicle model that does not fulfill the standards on one or two of the most important attributes, even it is positive on all other attributes.

2.2. Ethiopian Automotive Industry Overview

The first Automotive manufacturing company in Ethiopia is **AMCE** was established in 1970. It is the biggest company in the country in the industrial vehicle segment. Since its foundation AMCE has concentrated its business on transport sector. Parallel to transportation sector AMCE involve in assembling of commercial vehicles including buss of all range of FLAT Brand, Manufacturing of bus bodies, importing materials accessories of vehicles.

Recently Bishftu Automotive industry an automotive manufacturing and assembling company run by the Ethiopian Military. BAI specializes in assembling upgrading overhauling and localizing buses pick-up, SUVs, truck and Military Equipment such as tank and armored personal carries. Military vehicles are largely for the use of the Ethiopian military and Africa union peacekeeping mission while civilian vehicles are supplied to local customers such as state owned transport provider.

China's Lifan group opened a factory in AA in 2014 which has a capacity to assemble 20 cars a day. Producing car locally allows Lifan to avoid 35% import tax that apply to foreign vehicle and offer to customers a cheaper product that is available similar to the price of used imported car which could be a strong competitive advantage.

Ethiopian auto industry Mesfin assembles Geely's CK1and SL-sedan provide vehicles to customer with cheaper price than imported vehicles.

2.3. Automobile Market in Ethiopian

According to Federal Transport Authority statistic indicates that in 2015 160,000 where in use in Ethiopia. The commercial vehicle are estimated to be 60,000 while 95,000 passenger vehicle as reported from Ministry of transport in Ethiopia. It indicates that 16% are commercial vehicle where as 84% are passenger car. It estimated that 18000 vehicle brought in to Ethiopian market annually. Out of this second hand TOYOTA *(www.cargebeya.com)*

Ethiopian Automobile market is dominated by second hand imported vehicle particularly commercial vehicles. Commercial vehicles were Ethiopian second most valuable import.

It is estimated that 18,000 vehicles are brought into in Ethiopian Automotive market each year. The majority of this is second hand vehicles. Each year 12000 new Toyota and between 5000 to7000 are used car imported. Toyota Company control more than 65% of the total market (new and second-hand) due to its reputation as being reliable and inexpensive to maintenance.

Price affordability is further locked up by prohibitively high tax of imported vehicles sometimes more than 220% depending on engine size. As tax is cumulative imported vehicles are high cost three times more than retail price of outside of the country. The country high tax rate on vehicle reduces the affordability of vehicle especially given the low income of the population and retains the retail market.   To encourage the industry Ethiopian assembled car receive tax breaks when local input exceeds 10%.

2.4. Concept of Branding

Brands are not new to marketing. Historically, the concept of brand was first used by the ancient Egyptian brick-makers who drew symbols on bricks for identification (Farquhar, 1990).

The purpose of brands evolved into a valuable intangible asset and important resource serving the strategic reference point and contributing to greater value and market success Brand management is given a high priority and the spectrum of brand has been broadened beyond marketing communication and the resource-based theory of marketing strategy. The approach of brand orientation places consumers and brand at the pivotal point of company strategy (Wong and Merrilees, 2007). Kay (2006), reports that building a successful brand achieves a high market share and increases profitability.

There are many definitions of brand according to different authors to provide their own explanation towards the meaning of brand. These varying definitions are useful for the understanding of the complete picture regarding what a brand is. According to Kotler and

Kotler (2012), a brand is a product or service whose dimensions differentiate it in some way or from other products or services designed to satisfy the same needs. These differences may be functional, rational, or tangible. They may also be more symbolic, emotional or intangible related to what the brand represents or means in a more abstract sense (Kotler& Keller, 2012).

A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain those added values in the face of competition (DeChernatory & McDonald, 2003).

According (Kotler& Keller, 2012), brands use to identify the source of a product & allow consumers to assign responsibility to a particular manufacturer or distributor. Brands play a significant role by signaling quality and other important characteristics of a product. In effect they can reduce the risk associated with a product purchase decisions.

In recent years, brands have increased in importance. A distinguishing tool of the companies' products or services is the branding. The theme or combination of themes, that can be associated to brands, such as the trademark, logo, name, identity, image, personality, value and evolving entity, create the brand (De Chernatony and Riley, 1998). In general, marketing is defined as a consumer-based process that permeates organizational functions and processes, and it balances the companies' objectives and customer satisfaction. Branding is a marketing tool perceived to be important for both the company and consumer. Brands are important valuable intangible assets for companies, a distinctive tool that builds a long-term relationship with the consumers, and protects its' rights. For consumers, brands reflect their experience and knowledge; simplifying the processing of information accumulated over time about the company and its products or brands.(Kotler&Keller, 2012)

In addition, brands reflect consumer' experiences and knowledge; thus, simplify the processing of information accumulated over time about the company and its products or brands. Consequently, brands act as signals for products of high quality and low perceived

risk, thus, enable the consumers to capture both cognitive and non-cognitive values expressed in the positive feelings or self-expression experienced (Kotler et al., 2012). What consumers expect from the brand is crucial to shaping their preferences and determining their choices. Therefore, it is important for companies to build their brands based on the consumer's expectations of the brand. (Kotler et al.,2012).

2.4.1 Brand Preference

Brand preference features in all of the major texts on brands and brand strategy. It has also been considered by different authors; however, there is a lack of consensus on the definition of brand preference among these authors. In marketing literature, there are numerous definitions for brand preference. Brand preference is the consumer's predispositions toward a brand that varies depending on the salient beliefs that are activated at a given time. According to (Hellier et al. 2003) the preferred brand is the chosen brand among several brands of the same quality. In addition Hellier et al., (2003) define it as the extent to which a consumer favors one brand over another. These authors agree that brand preference is created from consumers' differentiation and comparisons between various alternatives of brands considered by them. Brand preference as the sum of unique assets captured by the consumers and measured by the brand strength experienced by the consumer. Further, Chang and Liu, (2009) defined this concept as the consumer's biasness toward a certain brand.

Different authorities also conceptualize brand preference in different ways, and propose different relationships between brand preference and other branding variables. Brand preference as an antecedent of brand loyalty and brand equity, whereas Chang discuss brand preference as a consequence of brand loyalty and brand equity. In this study brand preference is defined as the degree of brand loyalty in which a customer definitely prefers one brand over competitive offerings and will purchase this brand if it is available (Dibb et al, 2006).

2.4.2*. Brand Equity*

According to Kotler and Keller (2012) Brand equity is the customer's subjective and intangible assessment of the brand, beyond its objectively perceived value. Similarly, Kotler et al., (2012), define brand equity as the positive outcome that the customers show to the product or service. Moreover, brand equity is the set of associations and behavior on the part of a brand's customers, channel members and Parent Corporation that permits the brand to earn greater volume or greater margins than it could without the brand name (Kapfere, 2008)

Brand equity is among the few strategic assets available to companies that provide a long-lasting competitive advantage. Brand equity constitutes the assets and the liabilities that is link to a particular brand, like name or logo. It comprises of brand loyalty, brand awareness, brand association, brand assets and perceived quality. Creating strong, favorable and unique brand association is a real challenge for markets but it is essential in building strong brand.

Strong brands typically have firmly established strong, favorable and unique brand association with customer (Aaker, 1991).

2.4.3. Brand Awareness:

Awareness is a key determinant identified in almost all brand equity models. As the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory. Aaker(1991) identifies other higher levels of awareness besides recognition and recall. He includes top-of- mind, brand dominance, brand knowledge and brand opinion. Brand knowledge is the full set of brand associations linked to the brand (Keller, 1993).

According to Aaker (1991), for new or niche brands, recognition can be important. For well-known brands recall and top-of-mind are more sensitive and meaningful. Brand knowledge and brand opinion can be used in part to enhance the measurement of brand recall. Aaker conceptualizes brand awareness must precede brand associations.

As already mentioned, the literature suggests brand awareness is fostered by a variety of means, including advertising and other forms of publicity, and WOM (Berry, 2000). In this, the role of uncontrolled communication has been appreciated since at least the early 1980s. Thus, companies need to both advertise, and also to take active measures to ensure that WOM and other forms of uncontrolled communication concerning their bands are positive. WOM, along with advertising and other forms of publicity, is a core variable in building brand preference (Berry, 2000; Grace and O'Cass, 2005). It follows that companies should control their uncontrolled communication.

Both of Berry's (2000) and Grace and O'Cass's (2005) models propose that advertising is plausibly the most important promotional activity. Keller (2008), notes that this importance is reflected in the huge advertising budgets of large companies. In addition to fostering awareness advertising helps to reduce consumption apprehension (Berry, 2005). Advertising affects consumer attitudes towards brands by, among other things, informing them of the existence of the brand (Fill, 2006).

Publicity is also an important factor in influencing consumer brand preference (Grace and O'Cass, 2005). This importance is due to its deep influence in triggering a positive or negative brand response in customers (Bansal and Voyer, 2000). Hauss (1993) suggests that good media coverage has a strong influence on consumer attitudes and thus preference.

2.4.4. Brand Image:
Brand image pertains to how consumers perceive a product or service, regardless of whether their perceptions are accurate (Keller, 2003) and regardless of whether the perceptions are what the marketing company wants them to be.

In general, the literature (e.g. Aaker, 1996; Lassar et al., Keller, 2004) suggests brand image is facilitated broadly by product or service attributes of a brand coupled with the provider's attributes. Each of these two major components can be subdivided into a number of specific attributes.

Product value attributes comprise product price and product quality. Several empirical studies (e.g. Nowlis and Simonson, 1997; Tse, 2001) provide evidence that price affects consumer choice of products. Generally, consumers are willing to pay higher prices for brands that they perceive to have high value and vice versa (Erdem et al., 2004).

2.4.5. Perceived Quality:

Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality. Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality co et al. 2ntrols. High objective quality does not necessarily contribute to brand equity. Since it's impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality. Perceived quality is hence formed to judge the overall quality of a product/service. Many authors argued that quality is directly influenced by perceptions. Consumers use the quality attributes to infer quality of an unfamiliar product. It is therefore important to understand the relevant quality attributes are with regard to brand equity.

Authors classify the concept of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product (e.g. color, flavor, form and appearance); on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one (e.g. brand name, stamp of quality, price, store, packaging and production information (Bernue et al. 2003).

2.4.6. Brand Association:

Brand associations consist of all brand related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2004) and is anything linked in memory to a brand.

Product associations include functional attribute associations and non-functional associations (Chen 2001). Functional attributes are the tangible features of a product (Keller, 2004). While evaluating a brand, consumers link the performance of the functional attributes

to the brand (Lassar et al. 1995). If a brand does not perform the functions for which it is designed, the brand will has low level of brand equity. Performance is defined as a consumer's judgment about a brand's fault free and long lasting physical operation and flawlessness in the product's physical construction (Lassar et al. 1995). While, non-functional attributes include symbolic attributes (Aaker 1991, Keller 1993) which are the intangible features that meet consumers' needs for social approval, personal expression or self-esteem (Keller, 2004.) Consumers linked social image of a brand, perceived value, differentiation and country of origin to a brand.

Lassar et al. (1995), limit the reference of the image dimension to the social dimension, calling it social image as social image contributes more to brand equity. Social image is defined as the consumer's perception of the esteem in which the consumer's social group holds the brand. It includes the attributions a consumer makes and a consumer thinks that others make to the typical user of the brand.

Value appeared in several brand equity models. Lassar et al. (1995) define perceived value as the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it. Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar et al. 1995). A consumer is willing to pay premium prices due to the higher brand equity.

The underlying determinants of consumer-based brand equity are that brands provide benefits to consumers by differentiating products, as they facilitate the processing and retrieval of information. Other marketing literature (Kapferer, 1991) also stresses the importance of the distinctive character of brand positioning in contributing to the success of a brand. Distinctiveness is defined as the degree to which the consumer perceives that a brand is distinct from its competitors (Kapferer, 1991). A brand can have a price premium if it is perceived as being different from its competitors.

In addition, brand country of origin must also be considered. Thakor and Kohli (1996), define brand origin as the place, region or country to which the brand is perceived to belong by its customers. Country of origin is known to lead to associations in the minds of consumers. The country of origin of a product is an extrinsic cue (Thakor and Kohli, 1996), which, similar to brand name, is known to influence consumers' perceptions.

2.5. Consumer Behavior

The American Marketing Association (2014), defines consumer behavior as the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives. In other words, consumer behavior involves the thoughts and feelings people experience and the actions they perform in consumption processes. It also includes all the things in the environment that influence these thoughts, feelings, and actions. These include comments from other consumers, advertisements, price information, packaging, product appearance, blogs, and many others.

In addition, consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it.

Understanding the behavior of consumers before they made purchase decision will help for product manufacturers and service providers to develop strategies in line with customers' actions. Particularly knowing what makes customers to prefer between brands will make the manufacturer to adapt strategies based on the influential factors. Unable to analyze the antecedents hinder companies from being competitive. Hence, understanding the behavior of consumers specially their brand preference has to be a critical issue and concern for strategic developers.

2.6. Consumer Buying Decision Process

Consumer buying decision process consists of a series of processes or steps, beginning with a felt need or want arising from either internal or external services and terminating with a confirmation of the decision. The need may be an urgent or compelling one, demanding immediate satisfaction; or it may be one for which the satisfaction can be delayed or postponed. In any event a tension is created which sooner or later must be quit. In order to further understand the decision making process study has taken the consumer buying decision making process model from**.**

Consumer Buying Decision Making Process

 Figure 2.1: Consumer decision making process, (Jobber . 2007)

2.5.1. Information Search

It is the process by which the consumer surveys his or her environment for appropriate data to make a reasonable decision. Normally, the amount of information searching activities of a consumer depends on the type of product which either require high involvement or low involvement. For a product that requires high involvement there might be a significant differences between brands which require an immense effort or insignificant differences between brands which leads to dissonance reducing buying decisions.

The consumer can acquire information regarding a particular product from various sources. These sources include personal sources like family and friends, commercial sources like advertising, salespeople or displays, public sources like mass media and social networking sites and finally experiential source like handling, examining and using of product. The relative influence of these information sources varies with the product and the buyer. In the case of university students, the source of information for mobile phones can be collected based on their previous experience on usage as well as external source like friends, colleagues, neighbors, several published medias and so on.

2.5.2. Evaluation of Alternatives

Consumers evaluate or assess the various alternatives, using the information they have at hand to come to a decision (Jobber , 2007). This process involves comparing the information gained in the information search process for alternative products and brands to the product– judging criteria or standards the consumer has developed. For purchase decisions, the choice alternatives are the different product classes, product forms, brands, or models the consumer considers buying (Peter and Olson, 2010). However given their limited time, energy, and cognitive capacity, consumers seldom consider every possible choice alternative. Usually only a subset of all possible alternatives, called the consideration set, is evaluated. Some brands in the consideration set may be activated directly from memory; this group is called the evoked set. For highly familiar decisions, consumers may not consider any brands beyond those in the evoked set. If consumers are confident they already know the important choice alternatives, they are not likely to search for additional ones (Peter and Olson, 2010).

Consumers' evaluations of the choice alternatives in the consideration set are based on their beliefs about the consequences of buying those products or brands. The specific consequences used to evaluate and choose among choice alternatives are called evaluation criteria. Evaluation criteria are the dimensions used to judge the merits of competing brands (Michael S. et al, 2006).

2.5.3. Purchase Decision

A purchasing decision usually follows strong purchase intentions. In this stage the consumer actually buys the product they have chosen. Generally, the consumer's purchase decision will be to buy the most preferred brand. A consumer's decision to change, postpone or avoid a purchase decision is influenced heavily by perceived risk. Many purchases involve some risk and the amount of perceived risk varies with the amount of money at stake, the amount of purchase uncertainty and the amount of consumer self-confidence. A consumer takes certain actions to reduce risk, such as avoiding purchase decisions, gathering more information and looking for national brand names and product warranties.

2.5.4. Post-Purchase Evaluation/Behavior

In this stage the consumers take further action after the purchase decision by evaluating their satisfaction or dissatisfaction. Consumer satisfaction or dissatisfaction is determined by the overall feelings, or attitude, a person has about a product after it has been purchased. Consumers engage in a constant process of evaluating the things they buy as they integrate these products into their daily consumption activities.

2.6. Country of Origin

Over the last 30 years, international trade and the development of the global market have grown considerably. Companies and international marketers are also searching for more opportunities in the global market and multinational firms, which causes international competition among companies (A. Ahmed. et al, 2007). From a marketing point of view, international companies that are operating in highly competitive domestic and foreign markets need to understand consumers' perceptions and evaluations of foreign-made products. According to Al-Sulaiti and Baker (1998), among the many factors that are believed to influence consumer perceptions of products in an age of international competition is a country of origin (COO) effect. Kinra (2006) asserts that COO is considered an important differentiating factor in consumer attitudes to foreign and local brand names.

Different researchers have defined the term country of origin in different ways. Country of origin effect can be defined as any influence that the country of manufacture has on a consumer's positive or negative perception of a product Country of origin as consumers' perception of products of a particular country, based on their previous perceptions of that country's production and marketing strengths and weaknesses. The further added, a country's image arises from a series of aspects that qualify a nation in terms of its production profile. Such aspects include innovative approach (superior, cutting edge technology); design (style, elegance, balance); prestige (exclusiveness, status of the national brands); and workmanship (reliability, durability, quality of national manufacturers) (Hamzaoui E., 2011).

In a study by Eroglu and Machleit (1989), in the case with consumer durables, a product's technical complexity affects the importance given to consumer evaluations and that the more complex the product the more relevant the COO cue. Research works have documented the importance of country-of-origin (COO) image in consumer evaluation of foreign products and brands. Favorable country perceptions are known to lead to favorable perceptions of associated attributes such as product quality indicating thereby, that consumer evaluations are governed by influences other than the quality of the product (Peterson and Jolibert, 1995).

Consumer perceptions of a product's country-of-origin are based on three components associated with the standard attitude model, namely their cognitions which include knowledge about specific products and brands, consumer affect or favorable/unfavorable attitude towards the country-of-origin, and their conative behavior which is related to actual purchase of a foreign brand.

2.6.1. Country of Origin and Foreign Versus Local Brands
A. Country of Origin for International Brand

The country of origin effect has been defined as "the positive and negative influence that a product's country of manufacture may have on consumers' decision making processes or subsequent behavior (Elliott and Cameron, 1994). 1991).This image is created by such

variables as representative products, national characteristics, economic and political background, history, and traditions". The literature on country- of origin effects is quite rich and covers the topic from different perspectives in different countries. Some studies have shown that country of origin also has symbolic and emotional meaning to consumes, and it plays an important role along with other attributes such as quality and reliability in shaping consumers attitudes toward products.

Moreover, attitudes and perceptions of consumers toward brands and products will depend on categories, for instance, electronic goods from Italy may be perceived as a poor quality but Italian clothing would be perceive as fashionable and high quality. This would be differently perceived with Japanese brands as Japanese electronic goods would be perceive with positive attitudes and Japanese clothing will be negatively perceived. (Elliott and Cameron, 1994). 1991).

Favorable country perceptions are known to lead to favorable perceptions of associated attributes such as product quality indicating thereby, that consumer evaluations are governed by influences other than the quality of the product (Peterson and Jolibert, 1995). In this context, COO effect refers to the extent to which the place of manufacture influences consumers' product evaluations. COO has furthermore, been used as a foremost and primary cue by consumers in evaluating new products under several conditions, depending on their expertise (Maheswaran, 1994), with minimal consideration given to other product related attributes. As a primary cue, therefore, it has been found to reflect consumers' general perceptions about the quality of products made in a foreign country, along with the nature of people from that country (Iyer and Kalita, 1997). It has also been demonstrated that COO, when known to consumers, influences their evaluation not merely of generic product categories, but also of specific brands (Johansson and Nebenzahl, 1986).

B. Country of Origin for Domestic Market

In the developing countries the variety of imported goods available is considered making competition in the domestic markets becoming more rigorous and providing more choices to consumers (Abu Bakar, 2011). Products developed in one country are finding enthusiastic acceptance in domestic countries. Many companies have conducted international marketing

for decades. Nestlé, Shell, Bayer, Toshiba and Toyota are familiar to consumers around the world. But global competition is intensifying and domestic companies that never thought about foreign competitors suddenly find these competitors in their backyards (Kotler, 2000).

Therefore, understanding domestic market needs is an important task in developing strong customer relationship, but it is not enough to gain competitive advantage. Companies must use this understanding to design market offers that deliver more value than the offers of competitors seeking to win consumers preference Abu Bakar (2011).

2.6.2. Social Status

Authors have stressed that consumers may prefer global brands because of associations of higher Prestige (Schuiling&Kapferer, 2004; Shocker, Srivastava, &Rueckert, 1994; Steenkamp, et. al, 2003). Global brands may have a higher prestige than local brands due to their relative scarcity and higher price. Furthermore, global brands may also stand for cosmopolitanism. Some consumers prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated, and modern. Conversely, according to Ger (1999), local brands tend to be targeted and positioned based on a deep cultural understanding and therefore create "a sustainable unique value and offer the symbolism of authenticity and prestige". Still, consumers have been found to have no intrinsic preference for global brands (De Mooij,1998)

2.7. Factors that Influence the Consumer's Choice of Automobile

The choice of automobile are influenced by factors that are related to product attribute design, effect on terrain on motor, model, price, and awareness about the product. Details are explained.

2.7.1. Influence of Product Attributes on the Decisions of the Consumers to Buy

Product attributes have been shown to influence the consumer choice in any market place. Building on these findings Nowlis and Simon (1996) investigated the factors that moderate the impact of new product features on brand choice. It is argued by Nowlis et al., (1996) that this research is important as it can assist practitioners in deciding to add a new feature to an existing product or focus resources on alternative action to generate sales. Specifically

Nowlis et al., (1996) sought to determine if the product characteristics to which the feature is added to moderate the impact of the feature on brand choice.

Nowlis et al., (1996) based their research on the concept of multi attribute diminishing sensitivity where a new feature contributes more value to a relatively inferior product than to a superior one (Nowlis et al., 1996). The concept of multi attribute diminishing sensitivity is supported by Lynch, Chakravarti and Mitra (1991);.Nowlis et al., (1996) found that a new feature adds greater value and increases the probability of brand choice where the brand: has relatively inferior existing features; is associated with lower (Perceived quality); has a higher price; is both high priced and high quality.

2.7.2. Effect of Terrain on Motor Automobile Model Choices

An effective road transportation network is an important factor in economic and social development. It is also costly. Road construction and maintenance consume a large proportion of the national budget, while the costs borne by the road-using public for vehicle operation and depreciation are even greater. It is therefore vitally important that the terrain of the road be pursued by motor vehicle buyers before deciding on which model to purchase for their daily use in order to minimize total transport costs for the individual road links and for the road network as a whole (Abaynayaka, 1976 cited in Patricia, 2000).

The function of the vehicle operating cost sub model is to simulate the effects of the physical characteristics and condition of a road on the operating speeds of various types of vehicles, on their consumption of fuel and lubricants, on their maintenance requirements and so on, and to determine their total operating costs. The quantities of resources consumed, such as liters of fuel, numbers of tires, man-hours of labor, etc., are determined together with vehicle speeds as functions of the characteristics of each type of vehicle and the geometry, surface type, and current condition of the road. Costs are then found by multiplying the various resource quantities by user-specified unit costs and adding allowances for depreciation interest, and overhead costs and for the time values of passenger delays and cargo holding (Abaynayaka, 1976 cited in Patricia, 2000).

Therefore the choice of automotive all-Terrain Vehicles is determined by the roads that the customers use on a daily basis. Vehicles which will exhibit resilience in terms of fuel and

lubricant consumption, low maintenance costs, number of tires required on all types of terrain will most likely be favored among the customers hence their sales will increase as these types of vehicles will be used for outdoor and recreational activities comfortably (Abaynayaka, 1976 cited in Patricia, 2000).

2.7.3. Effect of Price on Consumer Choice of Products

In today's marketplace, consumers are faces with choices between competing vehicle models that may appear quite similar in terms of features and comfort. Consumers often rely on product information provided on vehicle specifications to evaluate the attributes of different vehicles. Prices may weigh heavily in vehicle choice, but the price itself may influence perceived quality of the vehicle. Safety and quality of the vehicle may also affect consumer choices of the car model that they would want to purchase. The value that consumers place on vehicle price affects their evaluation of the car based on a car's price. Consumer experiences and satisfaction are essentially influenced by the different attributes of the car. (McConnell & Brue, 2004).

Researchers found out that once consumers perceive a price difference between local-owned and foreign owned brands, price dissimilarities begin to affect their preference for local-owned brands. Therefore, since price is also one of the most important extrinsic cues that consumers use when evaluating the product/brand/ the impact of price against consumer's ethnocentric tendencies to determine at what point consumers are willing to forsake preference for local products for a greater price discount with foreign owned products. (Hansen, 2005)

2.7.4. Effect of Awareness from Advertisement on Product Choice in the Market

Deighton et al. (1994) examined switching and repeat purchase effects of product awareness in well-established and frequently purchased product categories. They found that product awareness created by advertising works through attracting switchers but did little in modifying the repeat purchase probabilities of who have just purchased the brand (Deighton et al., 1994). This result is similar to that of who found sales promotion contributed efforts would be best focused on non-user of the brand, contradicting Ehrenberg (1974, 1998).

2.9. Conceptual Framework of the Study

The main purpose of this study is to assess the brand preference of Arada sub-city automotive owner's automotive preference by comparing international brands with local assembled/manufactured brands. Based on the above related literature review and concepts the conceptual frame work for this study is developed.
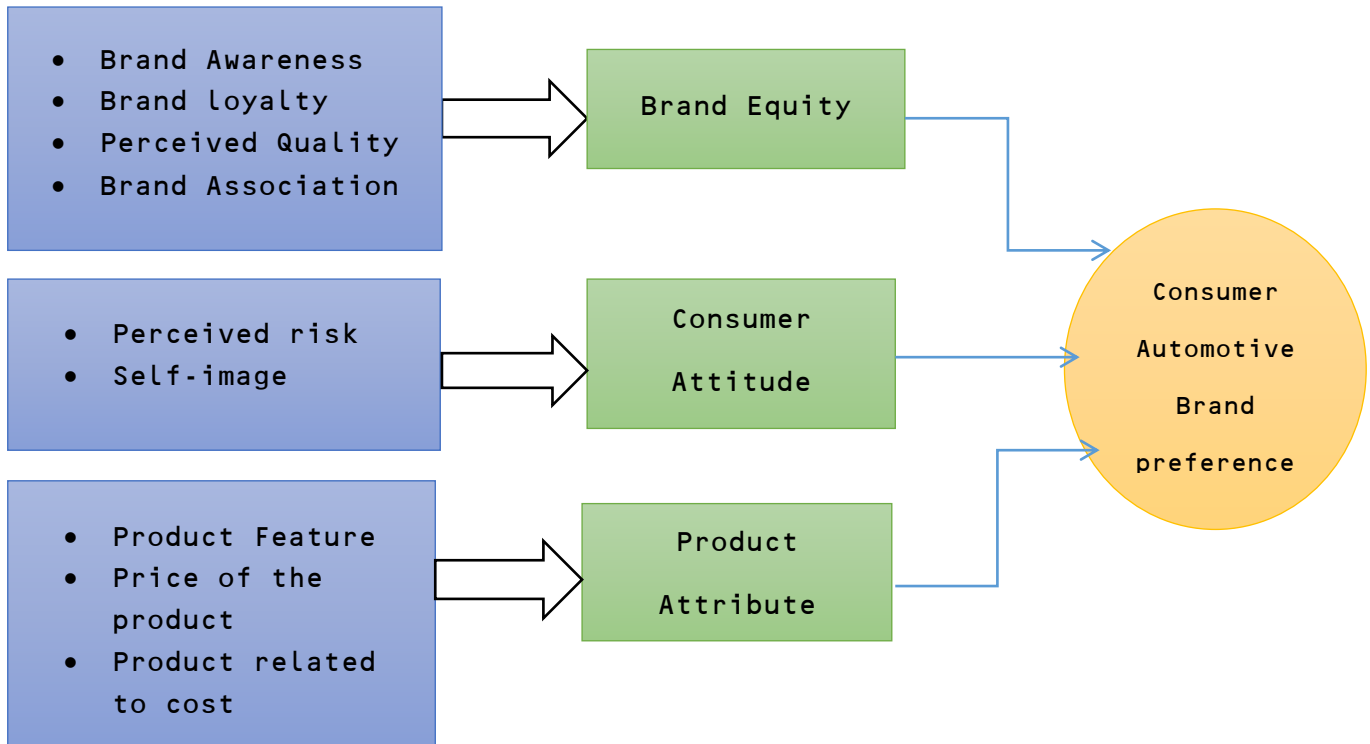
Figure 2.2: Conceptual framework of the study (A modified model of Alamro and Rowley,2011)

CHAPTER THREE

3. RESEARCH DESING AND METHODOLOGY

3.1.   Research Design

The research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information (Cooper, 2003). It specifies the framework or the blueprint for the research. This was a descriptive survey study design. According to Donald and Pamela (1998), a descriptive study is concerned with finding out the what, where and how of a phenomenon. The research design and methodology entailed collecting data useful in analysis and coming up with relevant recommendations and conclusions. Mugenda and Mugenda (1999) noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behavior or values. Surveys enabled collection of data from a sizeable population in a highly economical way. The data obtained was standardized, to allow easy comparison. Moreover, it explored the existing status of two or more variables at a given point in time.

The study employed descriptive research design where the respondents were required to describe the decision process in the automobile brand/ model/ purchase. quantitative methods methodology treated numerical data relevant for this study.

3.2. Target Population

Target population in statistics is the specific population about which information is desired. The target population of this study comprised of customers who owns automobile in Arada Sub-city which have experience about automobile preference. The researcher choose Arada Sub-city because of working and residence area which is convenience to gather data.

3.3.   Sampling Techniques and Sample Size

To carry out this study, the researcher purposively selected Arada sub-city both Local assembled/manufactured/automobile owners and imported automobile owners/consumers/ respondent purposefully selected site or participant will best help the researcher to understand

the problem and the research question (Creswell, 2009). Moreover, convenience sampling method was used in order to assign in each automotive consumer in Arada sub-city. By using published table to determine sample size for a target population 15000 a sample of 201 sample taken when e $=\pm10$(Glenn D. Israel2).

The study considered questionnaires for they had advantages over other types of research instruments in that they were cheap, did not require as much effort from the questioner as verbal or telephone surveys, and often had standardized answers that made it simple to compile data.

The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part was devoted to the identification of the main issues of the study by categorizing questionnaire based on variables.

From the target population a sample of 200 respondents was selected using convenience sampling method. According to Sproul (1998), a self-administered questionnaire is the only way to elicit self-report on people's opinion, attitudes, beliefs and values. In addition, since majority of the target respondents were learned people, they were in a position to read and understand the questionnaire hence provided accurate data required.

3.4. Instruments of Data Collection

The researcher used questionnaires as the main tool for data collection. The selection of this data was guided by the nature of the data to be collected, the time available as well as the objective of the study. This was a set of few questions asked in a logic sequence but put in a writing form. They required brief and direct answers. The questionnaire was both closed and open questions. The structured questions was used in an effort to conserve time and money as well as to facilitate an easier analysis as they were in immediate usable form; while the unstructured questions was used so as to encourage the respondent to give an in-depth and felt response without feeling held back in revealing of any information. A questionnaire was used since the study was concerned with variable which could not be directly observed such as views, opinions, perceptions and feeling of the respondents.

The study utilized both primary and secondary data. Primary data was gathered through questionnaires, while secondary data was obtained from published documents or materials such

as journals, periodicals, magazines and reports. These supplemented the primary data received from questionnaires.

3.5. Data Collection Method

This study collected quantitative data using a self-administered questionnaire. Nevertheless, where it proved difficult for the respondents to complete the questionnaires immediately, the questionnaire was left with the respondents and picked later.

The respondents were assured of confidentiality of their names and responses and that the responses would not be handled by any other person but rather was used purely for academic purposes. Each questionnaire was coded and only the researcher knew which person responded. The coding technique was only used for the purpose of matching returned, completed questionnaires with those delivered to the respondents.

3.6. Data Analysis Procedures

Before processing the responses, the completed questionnaires were edited for completeness and consistency. This is a process that starts immediately after data collection and ends at the point of interpretation of the process results. This included data sorting (rearrangement of data questionnaires to allow some systematic handling), data editing to identify errors that occurred during data collection, cleaning of data to check for accuracy and completion. Data collected was purely quantitative and it was analyzed by descriptive analysis such as measure of central tendency and measure of dispersion. The descriptive statistical tools helped in describing the data and determining the extent used. Data analysis used SPSS and Microsoft Excel to generate quantitative reports through tabulations, percentages, and measures of central tendency. In addition, Pearson correlation coefficient was used to show the interdependence between the independent and dependent variables. Tables and graphs were used to present responses and facilitate comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency.

3.7. Reliability Analysis

Reliability test can be established using pilot test by collecting data from 10 to 20 subjects not included in sample. Data collected from pilot test can be analyzed using SPSS or MS Excel. Cronbach alpha (a) is the most commonly used measure of internal consistency

reliability. The reliability coefficient (alpha) can range from 0 to 1with 0 representing a questionnaire that is not reliable and 1 representing the questionnaire is absolutely reliable. A reliable coefficient (alpha) of .07 and higher is acceptable reliable in SPSS.

Table 3.1 Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Brand awareness	.841	4
Brand Royalty	.863	4
Perceived quality	.838	4
Brand Association	.742	2
Reference group	.784	4
Self-Image	.817	4
Perceived Risk	.845	3
Product Feature	.872	3
Product Price	.796	1
Product Related Cost	842	4
All variables	**.864**	**33**

Source: survey, 2017

Accordingly, before the questionnaire was formally distributed a pre-trial reliability analysis was performed 20 completed questionnaire design. According to Nunnally(1978) cronbach's alpha should be .700or above.

In this study the value of cronbach's alpha is 0.864 which is greater than the standard value, 0.700. Thus it can be concluded that the measured used for this study is valid and highly reliable.

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Introduction

In this chapter, the collected data from Arada sub-city automobile owner are summarized and analyzed in order to realize the ultimate objective of the study. The purpose of this study is to investigate the automobile brand preference and to identify automobile selection criteria of Arada sub-city between international brands and locally assembled automobile. Accordingly, the demographic profile of the respondents, brands of automobile they currently possess, the criteria of their selection of automobile brands, source of information of new automobile brand and other related topics are discussed. At last, summary of the findings are presented.

4.2 General Information of Respondents'

The first part of the questionnaire consists of the demographic characteristics of respondents that requested a limited amount of information related to personal and demographic. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables includes; gender, age, occupation, Income and ownership of automobile.

From the total of the respondents age group 40 – 49 which account for 43% of the total study sample constitutes the largest percentage followed by age group 30 – 39 consisting of 38% while the age group above 50 is the least with 12% and below 20—29 consisting of 7% of the respondents. Male respondents constitute the highest percentage (74%) of respondents while the female constituted 26% of the respondents. The study shows that 82% of the respondents were BA Degree and above are the largest group in terms of educational level and 18% of the respondents are Diploma. The study also shows that 57% of the respondents were private while 43% of the respondents were employed about their occupation respectively. From the total respondents 48% of the respondents earn monthly income above 20,000 which is the largest from the sample followed by 42% the respondent earn monthly income 15,000-20,000 whereas

the remaining 10% of the respondents earn 10,000-15,000.00.When it comes to automobile ownership, 100% of the respondents have answered that they own automobile at the time of the survey.

Table 4.1 Summarizes the Profile of the Respondents Below.

	Age group	Frequency	Percentage
Age	20-29	14	7%
	30-39	76	38%
	40-49	86	43%
	50 and above	24	12%
	Total	200	100%
Gender	male	148	74%
	female	52	26%
	Total	200	100%
Educational level	1-8	-	-
	9-12	-	-
	Diploma	36	18%
	Degree &Above	164	82%
	Total	200	100%
Occupation	private	114	57%
	employed	82	42%
	Total	200	100%
Income per month	5000-10,000	0	0
	10001-15000	20	10%
	15001-20000	84	42%
	Above 20000	96	48%
	total	200	100%
Do you have Automobile	yes	200	100%
	No	0	0
	Total	200	100%

Source: survey result, 2017

4.3 Basic Information on Automobile

This section summarizes basic information on the respondent's automobile, which includes the brands of automobile they currently own, their ranking of the criteria for selecting automobile and the source from which they get to know about new automobile.

4.3.1 Current automobile Brands of Respondents

Figure 4.1 below, illustrates the current automobile brand owned by the respondents and the ownership of the brands.
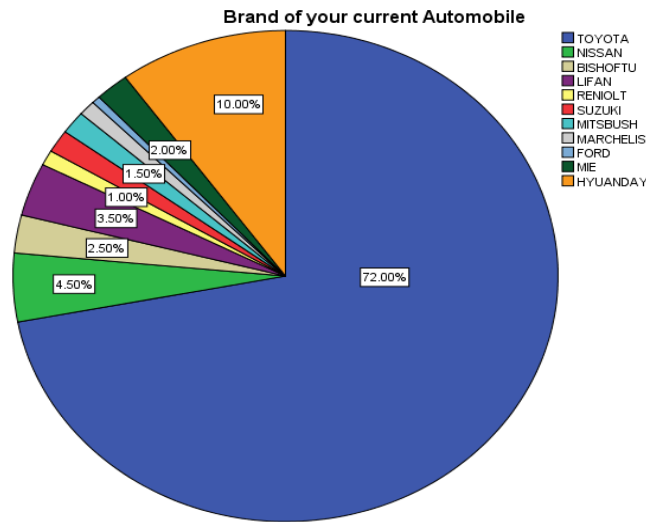
Source: survey result, 2017

Figure 4.1: Current Automobile brand of respondents

As per figure 4.1, when asked the brand of their current automobile respondents answered TOYOTA (72%), HYUANDAY (10%) and NISSAN (4.5%) were the top three bands the respondents currently own from International brand. In addition, LIFAN (3.5%) and the, BESHOFTU (2.5) from local assembled brand, MITISUBISHI are (1.5%), SUZUKI (1%) and MIE (2%) and other which were found to be the least favored brands owned by the respondents. When comparing ownership of the top three brands. TOYOTA brand is highest followed by HYUANDAY while NISSAN slightly popular. LIFAN automobile brand however shows a greater ownership among local assembled brands. The survey also shows

that the majority of the respondents own international automobile brands accounting for 92% while only 8% own locally assembled automobile brands. This indicates that the majority of the respondents own and favor international automobile brands compared to locally assemble automobile brands. This also shows that locally assembled automobile brands have not penetrated this market which is mainly dominated by international Brands.

4.3.2 Ranking of the Criteria for selecting an automobile

One of the research questions the study tried to answer was the selection criteria of automobile brands among Arada sub-city. Accordingly, the respondents were asked to rank from a list of factors they viewed as important when deciding to purchase an automobile. The lists of factors included were namely: new technology applications (Tap, Radio, gage, AC, GPS Camera…), price, product attributes (durability, fuel consumption, design…), ease of use,(manual, Automatic) country of origin (made in), recommendation and advertising.

Table 4.2 Illustrates the Ranking of the Factors

Criteria	Frequency	Percent	Ranking
New Technological applications	0	0	-
Price	56	28	2nd
Product attributes	86	43	1st
Easy for use/manual, Automatic/	8	4	5th
Country of origin	0	0	-
Recommendation	0	0	-
Advertising	0	0	-
After sales Service	24	12	4th
Accessibility of repair and Maintenance/Spare part cost and maintenance service/	26	13	3rd
Total	**200**	**100%**	

Source: survey result, 2017

4.3.3 Source of Information about New Automobile

Finally, the respondents were asked their source of information about new automobile. This was one of the research questions that were important to the study, dealing with the source of information that respondents get to know about automobile. The sources of information from which the respondents were asked to choose from included: technology related programs on TV or Radio, advertising, friends or family, news and the internet.

Table 4.3 Respondents Source of Information Regarding Automobile.

<table>
<tr><td colspan="6" align="center">source of information about automobile</td></tr>
<tr><td></td><td></td><td>Frequency</td><td>Percent</td><td>Valid Percent</td><td>Cumulative Percent</td></tr>
<tr><td>Valid</td><td>Advertising</td><td>4</td><td>2.0</td><td>2.0</td><td>2.0</td></tr>
<tr><td></td><td>friend/Family</td><td>134</td><td>67.0</td><td>67.0</td><td>79.0</td></tr>
<tr><td></td><td>News</td><td>14</td><td>7.0</td><td>7.0</td><td>86.0</td></tr>
<tr><td></td><td>Internet</td><td>48</td><td>24.0</td><td>24.0</td><td>100.0</td></tr>
<tr><td></td><td>Total</td><td>200</td><td>100.0</td><td>100.0</td><td>100.0</td></tr>
</table>

Source: survey result, 2017

Table 4.2, illustrates that 67% and 24% of the respondents indicated that friends or family and the internet are their main source of information when it comes to information about new automobile. While 7% respondent responds News, and the remaining 2% of the respondents answered advertising as a source of information. Therefore, the most influential source of information regarding automobiles is family/friends and the internet.

The study concluded that product attributes, price, after sales service and accessibility of rapier and maintenance (Maintenance service and spare part cost) as the most important factors influencing the behavior of consumers in their automobile.

4.4 Factors Affecting Automobile Brand Preference

In order to analyze Arada Sub-city automobile owners brand preference on automobile by comparing international brands with locally assembled automobile, three factors were used namely brand equity, customers attribute and product attribute. There were 20 items divided under brand equity and customers attribute on the other hand 17 and 8 items included for

product attribute items to compare international brand with locally assembled brand. Therefore, the analysis results are presented in three parts. The first part deals with Arada sub-city results of brand equity dimensions which include: brand awareness, brand loyalty, perceived quality and brand association. The second part includes customer attribute dimensions that include; reference group, self-image and perceived risk and the third par is product attribute dimension (product feature, product price, and product related cost) to compare international brand and local assembled brand. These variables are presented comparing international brands with locally assembled automobile brands. In order to compare respondents brand preference descriptive statistics, mean and standard deviation is used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. The higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. In addition, standard deviation shows the variability of an observed response.

4.4.1 Brand Equity

According to Aaker (1996), brand equity is a set of asset and legal responsibility connected to the brand's name and figure that add to or take away from the value presented by the product or service to a company and/or that company's customers. Aaker (1996) has grouped and identified the main assets as the following: brand awareness, brand loyalty, perceived quality and brand association. In this section each element of brand equity results from the respondents was compared to show automobile owners brand equity for international and locally assembled automobile brands.

4.4.1.1 Brand Awareness

Keller (2004) defines brand awareness as the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory. Accordingly, the respondents were asked 4 questions related to brand awareness. Table 4.4 presents respondents result of brand awareness with mean and standard deviation of values for each variable.

Table4.4. Brand Awareness of the Respondents

Brand Awareness Items	International Brands		Local Assembled Brands	
	Mean	Std. Deviation	Mean	Std. Deviation
I know the symbol or logo of the Automobile from Brand "X"	4.8222	.38447	3.4000	.69921
some features of brand "X" came to my mind Quickly	4.4111	.49479	3.1000	.31623
I can recognize the "X" Brand among other computing Brands	4.6556	.47785	2.8000	1.03280
I am familiar with Brand "X"	4.6333	.48459	2.1000	1.31656
Brand Awareness	**4.6305**	**.4602**	**2.85**	**.8412**

Source: survey result, 2017

As per table 4.4, illustrates the list of items comprising of brand awareness, the mean score for the item "I know the symbol or logo of the Automobile from brand X" was relatively high for both international and local Automobile brands. However, international brands scored significantly higher than locally assembled automobile brands with a mean score of (4.8222) and local brand scored (3.4000). The least mean score for international brands was for the item "Some features of brand X come to my mind quickly" with a mean of (4.4111). For local brand the least score goes to the item "I am familiar with the brand X" which scored (2.100). When comparing overall brand awareness of respondents; international brands scored the highest (4.8222) while local brand scored low with (2.8500). This shows that the respondents are more aware of international brands than locally assembled automobile brands. Therefore, domestic producers must aggressively use advertise and more promote their products in order to raise level of their brand awareness.

4.4.1.2 Brand Loyalty

Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as the attachment that a customer has to a brand. Based on this definition 4 item related to brand loyalty was put to the respondents. Table 4.5 shows the outcome of these questions with mean score and standard deviation comparing international brands with locally assembled automobile brands.

Table 4.5 Brand Loyalty Analysis

Brand Loyalty	International brand		Local Assembled Brand	
	Mean	Std. Deviation	Mean	Std. Deviation
I consider my-self to be loyal customer to automobile from brand "X"	4.2444	.64147	3.1000	1.26491
when buying a mobile phone, brand X would be my first choice	4.3333	.63600	3.3120	1.52388
I will keep on buying automobile from brand "X"	4.2889	.67449	3.3000	1.05935
I am still willing to buy Automobile from Brand X	4.2333	.70392	2.4000	1.05935
Brand Loyalty	**4.2749**	**.66397**	**3.0250**	**1.2268**

Source: survey result, 2017

Table 4.5 indicates that respondents scored the item "when buying a automobile, brand "X" would be my first choice" the highest among the list of items related to brand loyalty for both international as well as local brands. The mean score for international brands regarding this item was higher with a score of (4.3333) while local brand scored (3.3120). The least score the respondent gave was related to the item "I am still willing to buy automobile from brand X even if its price is a little higher than that of its competitor" in both international and local brands. Respondents scored this item slightly lower to local brands compared to international brands with mean sore of (4.2333) and (2.4000) respectively. This indicates that respondents are price sensitive to both international and local brands but respondents that chose locally assembled automobile brands are slightly more sensitive to price change. When comparing overall brand loyalty between international and local brands; international brands mean score was (4.2749) and local brands were (3.0250). This indicates that respondents that chose international brands or local brands were both loyal to their brands.

4.4.1.3 Perceived Quality

Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality. Since it's impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality. Perceived quality is hence is formed to judge the overall

quality of a product. Therefore, 4 items related to perceived quality was put to the respondents and the results of the analysis is displayed in table 4.6 below.

Table 4.6 Perceived Quality Analysis

Perceived Quality Items	International Brand		Local Assembled Brand	
	Mean	Std. Deviation	Mean	Std. Deviation
I trust Quality of the Product	4.5333	.52360	3.1000	.96609
Product from brand "X" offer Excellent feature	4.3778	.57854	2.8000	1.25167
Automobile from Brand "X" have a reputation of high Quality	4.4111	.59166	2.7000	1.33749
Automobile from Brand "x" are Very Durable product	4.3667	.87986	2.4000	1.07497
Perceived Quality	4.4222	.6434	2.75	1.1575

Source: survey result, 2017

As presented in table 4.6, both international and local brands scored highest for the item "I trust the quality of products from brand X". On the other hand, international brands scored much higher for product quality than local brands with a score of (4.5333) while local brands scored slightly lower (3.1000). The least score within the perceived quality list for international brands was for the item "Automobile from Brand "x" are Very Durable product" with a score of (4.3667) and for local brand "Automobile from Brand "x" are Very Durable product" with a mean score (2.4) which is respondents perceive local Brand are less durable. When we compare overall product quality between international and local brands both brands scored high. However, it is evident that respondents perceive international brands to be of higher quality than local brands. This is shown by the mean sore of (4.4222) for international brands and (2.75) for local brands.

4.4.1.4 Brand Association

Brand associations consist of all brand related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2006) and is anything linked in memory to a brand. One of the contributing factors of brand association when it comes to international

or local brands of automobile is country of origin. Hence, 2 items related to brand association was put to the respondents.

Table 4.7 Analysis of Respondent about Brand Association.

Brand Association Item	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
T think International Automobile brand are of high quality and superior compared to local Brand	4.1556	.64147	3.1000	.99443
I Associate the country of origin of an automobile from brand "x"	4.0556	.63600	2.7000	1.41814
Brand Association	**4.1056**	**.63877**	**2.9000**	**1.20628**

Source: survey result, 2017

As per table 4.7, the study showed that respondents scored higher for item one of brand association for both brands. International brands scored very high on this item with a mean score of (4.1556) while local brands scored lower with (3.000). This indicates that respondents that own both types of brands associate international automobile brands as being of high quality and superior to local brands. The least score respondents gave was for the item "I associate the country of origin of the automobile from brand X with high quality". Respondents scored this item for international brands with (4.0556) which was significantly higher than local brands which scored (2.7000). This implies that respondents that owned locally assembled automobile brands do not associate the country of origin of the automobile brand with high quality. When comparing overall brand association local brands scored much lower than international brand with a mean score of (2.9). This shows that the country of origin of international brands is associated with high quality and superior to local bands.

4.4.2 Customer Attributes

Customer attribute is one of the factors that affect consumers brand preference regarding international and local brand. Customer attributes comprise of three dimensions namely reference group, self-image and perceived risk. The analysis of each element of customer attributes comparing international brands against locally assemble automobile brand are presented below.

4.4.2.1 Reference Group

The term reference group refers to those groups or people who are psychologically significant for one's attitudes and behavior. Reference group gives the brand a specific meaning for consumers, such that the brand with a positive image in the eyes of the reference group is preferred by consumers, whereas the brand with a negative image in the eyes of the reference group is more likely to be rejected by consumers. Having this in mind the respondents were asked 4 items related to reference group and the analysis is presented in table 4.8 below.

Table 4.8. Analysis of Reference Group.

Reference Group Item	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
By Buying Automobile Brand as my friend, I achieve a sense of belongingness	3.2556	.94288	3.0778	.94868
I prefer to buy automobile brand when I am sure my friend like that	3.0778	.98560	2.7000	1.25167
I buy the automobile brand that people expect me to buy	2.5667	1.02825	2.4000	1.26491
If I went to be like someone I try to by same brand that they buy	2.9667	1.35290	2.5667	1.26491
Reference Group	**2.9667**	**1.0774**	**2.7000**	**1.1825**

Source: survey result, 2017

Table 4.8 illustrates that respondents scored significantly low for items of reference group for both brands. The item that had the least score means for both brands was "I buy the automobile brand that people expect me to buy". Respondents scored this item lower for international brands with a score of (2.5667) while scoring (2.4) for local brand. The only item that the respondents scored higher for both brands was the item "By buying automobile brands as my friends, I achieve a sense of belonging". This item scored similarly with for both brands; local brands scoring (3.0778) and international brands scoring (3.7556). The overall mean score for reference group dimension was very low, while international brands scored (2.9667) local brands scored (2.7). This indicates that respondents neither disagreed nor agree with most items listed in reference group for both brands.

4.4.2.2 Self Image

Brands reflect the individual who uses it and tends to build an image of the buyer. Consumers use brand to build their own identity; it reflects what the customer wishes to be seen as a result of using a brand. Automobile brands are one way respondents express their personality and build their self-image. Accordingly items related to self-image were put to the respondents and the results are shown on table 4.9 below.

Table 4.9: Self-Image Analysis

Self-Image Item	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
I Prefer Automobile from Brand "X" which increase my status and esteem	2.8111	0.99317	2.4000	0.84327
Automobile from Brand "X" say a lot About the kind of person I am or want to be	2.8111	0.92280	2.1452	0.84327
I feel Proud to own automobile from brand "X"	3.1556	0.94704	2.7000	0.94868
I like and Prefer automobile from brand "X" because it suit my personality	2.6889	0.86951	2.4000	0.84327
Self-Image	**2.8666**	**0.93313**	**2.525**	**0.86962**

Source: survey result, 2017

Table 4.9 shows that majority of the respondents scored the list of items related to self-image significantly low. The only exception was for international brands; which respondents scored with a mean of (3.1556) for the item "I feel proud to own automobile from brand X". Respondents also scored this item relatively higher than the rest of the items related to self-image for local assembled with a mean score of (2.7). However, respondents disagreed with the item "automobile from brand X says a lot about the kind of person I am or want to be" for both brands. Respondents scored this item for international brands with a mean score of (2.8111) and (2.1452) for local brands. The overall mean score for self- image was low, international brands scored a mean of (2.8666) which was slightly higher than local brands which scored (2.525). This indicates that respondents do not view automobile brands as a reflection of their personality regardless of the brand being international or local.

4.4.2.3 Perceived Risk

A customer's decision to modify, postpone or avoid purchase decision is heavily influenced by one or more types of perceived risk. There are six types of perceived risk namely; financial risk, physical risk, performance risk, psychological risk and time risk (Kotler and Keller, 2012). For the purpose of this analysis the researcher was taking three type of risk namely financial risk, performance risk and Social/psychological/ risk. The degree of perceived risk varies with the amount of money at stake, the amount of attribute and the level of consumer self-confidence. One of the routines consumers develops to reduce uncertainty and negative consequence of risk is to develop preference for well-known or international brand names (Kotler and Keller, 2012). Accordingly respondents were asked questions related to perceived risk and the table below shows the results below.

Table 4.10: Perceived Risk Analysis Result

Perceived Risk Item	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
The financial Risk I will Incur is low if I buy Automobile from Brand "X"	3.7556	1.22071	2.2111	1.26491
Performance risk will incur is low if i buy automobile from Brand X	3.8667	1.17272	2.2000	1.13529
By buying automobile from brand "X" I will be accepted by my peers, reducing social risk	3.5667	1.18084	2.6000	.96609
Perceived Risk	**3.7296**	**1.1914**	**2.3370**	**1.1220**

Source: survey result, 2017

Table 4.10, indicates that the highest score given by the respondents to the list of items related to perceived risk was to international brands. The item "The performance risk from using automobile from brand X is very low" scored relatively high with a mean score of (3.8557). This indicates that respondents perceive that the performance risk is very low when it comes to international automobile brands. Respondents that chose local brands perceive that the financial and performance risk of owning these brands were very low scoring this items (2.200). Respondents also scored the item related to social risk the least as those of international brands (3.5667) local brand (2.400). When comparing the overall mean score of the dimensions of perceived risk; international brands scored significantly

higher than local brands with a score of (3.7296) and (2.3370) respectively. It indicates that for local assembled brand the respondent's perceived risk is higher than international Brand.

4.4.3. Product Attribute

Product attributes have been shown to influence the consumer choice in any market place (Gatignon and Robertson, 1991: Rogers, 1983). Building on these findings Nowlis and Simon (1996) investigated the factors that moderate the impact of new product features on brand choice. For the purpose of automobile brand choice Product attribute is the vital issue which namely and product feature related. These are technological application product durability, design and product cost related are fuel consumption, after sales service provided by supplier, spare part cost and maintenance cost. The result of the respondent presented as below table 4.11.

Table 4.11 Respondents answer related to Product Attribute

Product Attribute	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
How do you rate new technological application (tape ,radio gage, ac, GPS,AC) Brand "X"	4.3999	.75319	3.1000	.73786
How do you rate Product attribute in terms of durability of Brand "X	4.377	.84534	3.00	1.05409
How do you rate Product attribute in terms of design of Brand "X"	4.8221	.54555	3.1000	1.07497
Product Feature	**4.5333**	**.7140**	**3.0666**	**.9556**
How do you rate price of Brand "X"	3.143	1.10068	4.1000	.48305
Product Price	**3.143**	**1.10068**	**4.1000**	**.48305**
How do you rate Product attribute in terms of fuel consumption of Brand "X"	4.7772	.76110	3.3000	1.15950
How do you rate after sales service provided by supplier of Brand "X"	3.6888	.95961	3.3000	1.42984
How do you rate Repair and maintenance in terms of spare part cost of Brand "X"	3.7888	1.00368	3.1000	1.71594
How do you rate Repair and maintenance in terms of maintenance service of Brand "X"	4.2443	.54464	3.1000	.99443
Product related Cost	**3.9073**	**.87393**	**3.32**	**1.1565**
Product attribute	**4.2203**	**0.8142**	**3.1933**	**1.0812**

Source: survey result, 2017

The above table Table 4.11, indicates that the highest score given by the respondents to the list of items related to Product attribute used for selecting automobile for international brands is product design of the product which is relatively higher than Local mean score (4.8221) and (3.0666) respectively . The item listed above for a cumulative mean score for

42

international brand (4.2203) and (3.1933) which is international Brand has good product attribute than local assembled brand. When the respondents compare international brand with local brand in terms of price international brand is more expensive than local brand. When the respondent compare international brand with local brand in terms "after sales service provided by supplier" international brand mean score of (3.688) and for local assembled brand mean score of (3.300) which is international brand is better than local brand and for "spare part cost" and "maintenance service" mean score for international brand (3.7888) ,(4.2443) respectively and for local brand (3.100) and (3.100) respectively which implies that local brand has poor repair and maintenance service and higher spare part cost.

4.4.3 Overall Brand Preference Dimensions

The table below summarizes the significant factors that affect brand preference. It explains the mean and standard deviation score of each dimensions. In addition, the average mean and standard deviation score of the three broad determinates of brand preference for international and local automobile brands is also presented.

Table 4.12: Analysis of Overall Brand Preference Dimensions

Brand Preference Dimension	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
Brand Awareness	4.6305	0.46020	2.850	0.8412
Brand Loyalty	4.2749	0.66397	3.025	1.2268
Perceived Quality	4.4222	0.64340	2.750	1.1575
Brand Association	4.1056	0.63877	2.900	1.2063
Brand Equity	*4.3583*	*.6158*	*2.8812*	*1.10795*
Reference Group	2.9667	1.0774	2.7000	1.1825
Self-Image	2.8666	0.9331	2.525	0.8696
Perceived Risk	3.7296	1.1914	2.3370	1.1220
Customer Attribute	*3.1876*	*1.0672*	*2.5206*	*1.0580*
Product Feature	4.5333	.7140	3.0666	.9556
Product Price	3.143	1.10068	4.1000	.48305
Product Related Cost	3.9073	.87393	3.32	1.1565
Product attribute	*4.2203*	*0.8142*	*3.1933*	*1.0812*
Brand Preference	**3.9220**	**0.8324**	**2.8650**	**1.08238**

Source: survey result, 2017

As per table 4.12, the study shows from the total of 10 dimensions that affect brand preference; brand awareness scored the highest mean for international brands with a score of (4.6305). Perceived quality was ranked second with a mean sore of (4.4222) while Brand Loyalty was rank third scoring (4.2749). The least score that the respondents gave was to Self-Image when it comes to international brands with a score of (2.866). This indicates that rank brand awareness as the most influential factor when it comes to international automobile brands. This shows that respondents are highly aware of international automobile brands and is a major factor for their brand preference. In addition, the respondents perceive that international automobile brands are of high quality and superior to local brands. It also indicates that self-Image has the least influence among respondents automobile preference.

The dimension that scored the highest for respondents that chose locally assembled automobile brands was Brand Loyalty which scored (3.025). This implies that respondent are loyal for locally assembled automobile brands to be of better than other dimension and was the most important factor for their brand preference. Brand association was ranked the second with a mean score of (2.900). Brand Awareness ranked third with mean score of (2.85). The least score that respondents gave was for perceived quality which scored (2.75). The above brand equity elements showing that respondents perceive locally assembled automobile brand has low quality and were not familiar and least aware of locally assembled automobile.

The study also shows that brand equity factors are the most influential factors for respondents brand preference. This was indicated by the high scores the respondents gave to both brands regarding brand equity. However, respondents scored international brands significantly higher than local brands with a score of (4.3583) while local brands scored (2.8812). The respondents scored consumer attribute factor the least for both brands; local brands scoring slightly lower than international brands with a score of (3.1876) and (2.5206) respectively. This implies that consumer attribute dimensions' influence on respondent's reference for international is higher than local brands.

The study shows that product attribute element is the most influential factor for brand preference. Product quality score mean (4.2203) it indicates international brand has good quality than local assembled product which score mean (2.9333). The other element product cost related factor international brand score mean (*3.9073)* and for local assembled brand mean score (*3.32)* that indicates international brand is better for cost related factor and local assembled brand has less preference as respondent's preference.

The study indicates that product attribute is the most influential factor for brand preference. It indicates that international brand has a better product attribute

As the study shows all the factors that constitute a brand's equity appear not to be equally influential on brand preference, as the most influential factor emerge as perceived quality. Perceived quality in these findings consists of durability and functionality. In order to form perceptions on quality, awareness of the brand is a prerequisite and thereafter, clear associations linked to the brand. Brand awareness, brand associations and perceived quality are the result of the prior formed brand perceptions. The findings implicate that the main building blocks of brand perceptions within this market are what others in the respondents' surroundings think and discuss. Brand awareness and perceived quality have the highest values and are key factors of contributing towards automobile selection.

Finally respondents that owned both types of brands were asked to summarize their brand preference. Accordingly, they were asked if they prefer international automobile brands over locally assembled automobile brands. The result of the respondents' overall brand preference was presented on table 4.13 below.

Table 4.13 The result of the respondents' overall brand preference

Over All Brand Preference	International Brand		Local Assembled	
	Mean	Std. Deviation	Mean	Std. Deviation
I Prefer International Automobile Brand compared to Locally Assembled Automobile Brand	4.2022	1.12757	3.5000	1.08012

Source: survey result, 2017

As per table 4.13, the study shows that respondents overwhelmingly prefer international brands over locally assembled automobile brands. Accordingly, respondents that owned international brand scored this item significantly higher (4.2022) than those owning local

brands that scored (3.500). This implies that respondents that owned locally assembled automobile do not prefer their current automobile brands.

Finally, the study shows that respondents overwhelmingly prefer international brands over locally assembled automobile brands. This finding is consistent with the writing of Samie S (1994) and Al-Sultaiti et al (1998). According to Samie S (1994), young consumers are becoming more used to buying international brands than local brands since the influence by the western world is becoming stronger. While Al-Sultaiti et al., (1998) stated that consumers of developing countries prefer foreign brands, especially from the west, not only of perceived quality but also as indication of social status.

4.5 Relationship between Brand Preference Dimensions and Brand Preference

For this study Pearson's correlation analysis was used to measure the magnitude of the relationship between brand preference dimensions and brand preference. In addition correlation analysis was used to provide evidence of convergent validity. A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson´s correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field(2005)were followed, mainly for their simplicity. His classification of the correlation efficient(r) is as follows: 0.1to 0.30 is weak; 0.3 –0.50 is moderate; and > 0.5 is strong. Regarding the relationship between the variables, table 4.14 clearly shows that figures with the symbol ([**]) indicates that each of the variables are significantly correlated at a significant level of p<0.01

Table 4.14: Correlation Analysis

Brand Preference Dimension	Brand Awareness	Brand Loyalty	Perceived Quality	Brand Association	Reference Group	Self-Image	Perceived Risk	Product Feature	Product Price	Product Related Cost
Brand Preference	.465[**]	.512[**]	.504[**]	.293[**]	.468[**]	.265[**]	.550[**]	.693[**]	.571[*]	.611

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

As per table 4.14, the coefficients show that the ten dimensions measuring brand preference were all positively related with brand preference within the range of (0.265) to (0.693) all were significantly at p<0.01 level. Out of the ten dimensions of brand preference, 6 of the dimensions (Product feature, product related cost, brand loyalty, perceived quality and perceived risk product price show a strong positive relationship with brand preference. The table also indicates that product feature shows the strongest positive relationship (.693) with brand preference. Product related cost was the second strongest positive relationship with correlation coefficient (.611) while, reference group and brand awareness have a moderate level of relationship with a correlation coefficient of (0.468) and (0.465) respectively. The remaining two dimensions brand association and self-image show a weak level of relationship with brand preference with a coefficient of (0.293), (0.265) respectively. The table indicates that all independents variables had a positive correlation with each other as well as dependent variable brand preference.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSSION AND RECOMMENDATION

5.1 Introduction

In this chapter, summary of finding, conclusion and recommendation of the study are presented. The aim of this chapter is to review the problem of the research and conclude the findings with regards to the objectives of the study. Recommendation that focuses on how the problem identified could be addressed is also included in this chapter.

5.2. Summary of the Major Findings

The primary objective of this study was to investigate consumer automobile brand preference, specifically Arada sub-city', brand preference comparing international automobile brand with locally assembled automobile brands. As document indicates Ethiopian automobile markets are dominated by second hand TOYOTA automobile and a little consumer use local brands. Hence, this study tries to answer whether automobile owners prefer foreign brands over local brands due to the influence of different factors. In addition, this study also tries to answer the research questions it stated within the introduction.

In order to find out the brand preference of Arada sub-city, the study considered three factors namely brand equity, consumers attributes and product Attribute. These factors had sub elements which included ten dimensions i.e. brand awareness, brand loyalty, perceived quality, brand association for brand equity; and self-image, perceived risk and reference group for consumer attribute and product feature, Product price and product related for product attribute. To assess the factors influence, a sample size was selected using convenience sampling technique. Based on the theoretical frame work and objectives of the study 30 items were provided in a 5 point Likert scale to the respondents. The gathered data was analyzed by descriptive analysis using descriptive statistics.

The findings indicate that TOYOTA, HYUANDAY and NISSAN were the top three brands that Arada sub-city most prefer while, the rest are the least preferred automobile. In addition; price, product attributes and accessibility of repair and maintenance after sales

service was the top four criteria for selection among respondents. However, new technological application, ease of use, advertising and recommendation were found to be the least important factors for respondents when deciding to purchase automobile. Further, the findings of the study also show that Arada sub-city respondent indicated that friends or family and the internet were their main source of information when it comes to information about new automobile.

In addition product attribute and brand equity are the most influential factor than consumer attribute to determine automobile preference.

5.3 Conclusion

The study indicate that TOYOTA, HYUANDAY and NISSAN were the top three brands that Arada sub-city most prefer while, the rest are the least preferred automobile. In addition; price, product attributes and accessibility of repair and maintenance after sales service was the top four criteria for selection among respondents.

The results of the descriptive analysis indicates that brand awareness, perceived quality, brand loyalty, brand association, Product feature, and product related cost were the top seven influential factors of brand preference for respondents with regards to international brands while reference group was the least influential factor. On the other hand, brand loyalty and brand association, brand awareness and product price were the most influential factors of brand preference for respondents towards locally assembled automobile brands. This finding indicates that Arada sub-city automobile owners are highly aware of international automobile brands and is a major factor for their brand preference. In addition, the respondents perceive that international automobile brands to be of high quality and superior to local brands. In conclusion, the study shows that brand equity factors are the most influential factors for automobile owners brand preference while consumer attribute dimensions' influence on respondents brand preference for international or local brands is very low.

The results of correlation analysis indicate that the coefficients show that the ten dimensions measuring brand preference were all positively related with brand preference. Out of the ten dimensions of brand preference, product feature, product related cost, brand loyalty, perceived quality, perceived risk and product price show strong positive relationship on the other hand reference group and brand awareness have moderate relationship. The remaining

two dimensions brand association and self-image show a weak level of relationship with brand preference.

In general as per the findings of the study, it can be concluded that automobile owners of Arada sub-city tremendously prefer international brands over locally assembled automobile brands. Price, product attributes and accessibility of repair and maintenance, after sales service are the major criteria for automobile purchasing decision.

In addition, friends or family and the internet are the major sources of information from where respondents get to know automobile brands. Finally, brand equity and product attribute dimensions are more influential in automobile owners' brand preference than consumer attribute dimensions.

5.5. Recommendations

Based on the findings of the study and conclusions made, the following possible recommendations are given.

- Local automobile assembling companies should focus on the decision criteria of automobile owners (consumers) as a guide to develop automobile products to emerge into this market. These include product attributes (durability, design, fuel consumption, accessibility of repair and maintenance, spare part, spare part cost and after sales service) and price.

- Understanding what the automobile consumer needs and wants should be the main primary activity for companies in the automobile manufacturing (assembling) industry. Automobile manufacturing /assembling/ companies that are currently serving and those companies that want to enter in to this industry must provide automobile brands that are perceived to be high quality.

- Local automobile assembling companies should concentrate on improving their product quality must give attention to improve product attribute (product design, durability, accessibility of spare part and maintenance service based on consumers preference about product feature.

- Local automobile assembling companies should concentrate on creating brand awareness about product feature. Local companies should promote their product to create strong brand awareness and brand image.

- Local companies could build their brand equity by investing more on research and development. Based on their research and development into the best approaches and lessons of on international brands they could develop effective strategies and innovative products to build well know preferred brands.

- Local companies could also try to do with franchising with international automobile manufacturer by establish patent relationships to manufacture patented international automobile brands. Its benefit is dual for both international and local assembling companies; since brand preference for international automobile brands are very high, local companies could leverage this preference and start assembling international brand locally. Secondly, this is also advantageous for international brand manufactures to establish partnership with local companies to manufacture international automobile brands at a low cost.

- International automobile manufacturers should be able to leverage their brand equity they have in Ethiopian automobile market by establishing their own manufacturing plants and aggressively tapping into this growing market.

5.4 Limitation and Suggestion for Further Studies

The findings of this study are based entirely upon the research conducted among the respondant of Arada Sub-city automobile owners and hence may not be representation of the whole preference of Automobile preference in Ethiopia. This study should be carried out on a wider scale taking sample from the different city of the country not only Arada sub-city but also other city of the country.

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

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APPENDICES

St Mary University
SCHOOL OF GRADUATE STUDIES
Master of Business Administration

Dear Participant,

This questionnaire is designed to gather data on "Assessing Customers" Preference: ''Factors Affecting Consumers Automotive Preference for International Brand versus Local Brand". The purpose of the study is to fulfill a thesis requirement for the Masters of Business Administration (MBA) at St Mary University. Your highly esteemed responses for the questions are extremely important for successful completion of my thesis. The information that you provide will be used only for the purpose of the study and will be kept strictly confidential. You do not need to write your name. Finally, I would like to thank you very much for your cooperation and sparing your valuable time for my request. Indicate your response by putting a tick ( ) in the provided box.

Part 1. General Information.

1. Age

20- 29 ☐   30-39 ☐   40-49 ☐   50 and above ☐

2. Gender   Male ☐   female ☐

3.   Educational level

1-8 ☐   9-12 ☐   diploma ☐   degree and above ☐

4. Occupation_____ name of the organization_____

5. Income per a Month

5,000-10,000 ☐   10,001-15,000 ☐   15,001-20,000 ☐   Above 20,000

Part 2. Basic Information

6. Do you own Automobile Vehicle? Yes ☐   No ☐

If you have answered 'No' for question No. 6 above, this is the end of the questionnaire for you. Once again, many thanks for your support!

7. What is the brand of your current Automobile?

   International brands locally assembled brands

   ☐ TOYOTA   ☐ LIFAN   ☐ MITISBU

   ☐ MINDHIRA   ☐ MARCHELIS   ☐ NISSAN

   ☐ BISHOFTU   ☐ MIE   Other, specify _____

8. Rate the following criteria for selecting automobile from 1 to 9 in order of importance.

Criteria	Rank
New Technological applications (Tape & Radio, gage, AC, GPS)	
Price	
Product attributes (durability, fuel consumption, comfort with the terrain, design, battery life…)	
Ease for Use (Manual /Automatic)	
Country of origin (made in)	
Recommendation	
Advertising	
After sales service of (service provided by supplier or seller)	
Accessibility of repair and maintenance. (spare part cost, maintenance service)	

9. What is the main source from which you get to know about automobile?

   ☐ Advertising

   ☐ Friends/Family

   ☐ News

   ☐ Internet

   Other, specify _____

PART 2: The statements below are designed so that they give information on which factors affect brand preference. The statements drawn (X) are referring to the brand you have selected in question 8 above.   Please use tick (√) mark in the answer boxes that reflect your rating.

A. Brand Equity

Brand Awareness	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I know the symbol or logo of the automobile from brand "X"					
Some features of brand "X" come to my mind quickly					
I can recognize the brand "X" quickly among other competing brands					
I am familiar with the brand "X"					
Brand Loyalty	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I consider my-self to be loyal customer to automobile from brand "X"					
when buying a mobile phone, brand X would be my first choice					
I will keep on buying automobile from brand "X"					
I am still willing to buy Automobile from Brand X					
Perceived quality	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
I trust the quality of products from brand "X"					
Products from brand "X" offer excellent features					
I think mobile automobile ones from brand "X" have a reputation of high quality					
Automobile from brand "X" are very durable products					
Brand Association	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
I think international automobile brands are of high quality and superior compared to local brands					
I associate the country of origin of an automobile from brand "X" with high quality					

B. Consumer Attribute

Reference group	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
By buying automobile brands as my friends, I achieve a sense of belonging					
I prefer or buy automobile brands when I am sure my friends like that					
I buy the automobile brands that people expect me to buy					
If I want to be like someone, I try to buy same brands that they buy					
Self-Image	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer automobile from brand "X", which increase my status and esteem					
automobile from brand "X" says a lot about the kind of person I am or want to be					
I feel proud to own automobile from brand "X"					
I like and prefer automobile from brand "X" because it suits my personality					
Perceived Risk	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
The financial Risk I will Incur is low if I buy Automobile from Brand "X"					
Performance risk will incur is low if i buy automobile from Brand X					
By buying automobile from brand "X" I will be accepted by my peers, reducing social risk					
Overall brand preference	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer International mobile phone brands compared to locally assembled automobile one brands					

C. The statements below are designed so that they give information on which Product Attribute for selection criteria used for prefer either international brand or local brand.
Please use tick (√) mark in the answer boxes that reflect your rating.

10. How do you rate the New Technological applications (Tape & Radio, gage, AC, GPS) of International Brand?
Very good ☐   Good ☐ Satisfactory ☐ Poor ☐ Very poor ☐

11. How do you rate New Technological applications (Tape & Radio, gage, AC, GPS) of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

12. How do you rate the Price of International Brand?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

13. How do you rate the Price of of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

14. How do you rate the Product attributes in terms of durability of International Brand?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

15. How do you rate the Product attributes in terms of fuel consumption of International Brand?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

16. How do you rate the Product attributes in terms design of International Brand?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

17. How do you rate the Product attributes in terms durability of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

18. How do you rate the Product attributes in terms fuel consumption of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

19. How do you rate the Product attributes design of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

20. How do you rate after sales service of in terms of service provided by supplier or seller) of International Brand?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

21. How do you rate after sales service of in terms of service provided by supplier or seller) of Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

   22. How do you rate accessibility of repair and maintenance in terms of spar part cost of
                          International Brand?
Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

23. How do you rate Accessibility of repair and maintenance in terms of spar part cost of Local
Manufactured/Assembled Automobile?
Very good ☐ Good ☐ satisfactory ☐ Poor ☐ very poor ☐

24. How do you rate accessibility of repair and maintenance in terms of maintenance service of
International Brand?
Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

25. How do you rate Accessibility of repair and maintenance in terms of maintenance service of
Local Manufactured/Assembled Automobile?

Very good ☐ Good ☐ Satisfactory ☐ Poor ☐ very poor ☐

26. If you have any comment/Suggestion please write on the space provided below.

_____

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_____::