

FACTORS AFFECTING BUYING BEHAVIOR OF CUSTOMERS: THE CASE OF CAR MARKET IN ADDIS ABABA



By

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DECLARATION

I, Haroni Tadesse, the undersigned person declare that the thesis entitled “Factors Affecting Buying Behavior of Customers: The Case of Car Market in Addis Ababa” is my original and submitted for the award of Master Degree in Marketing, St. Mary University at Addis Ababa and it hasn’t been presented for the award of any other degree. Under this study, fellowship of other similar titles of any other university or institution of all sources of material used for the study has been appropriately acknowledged and notice.

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Candidate

Signature

Date

CERTIFICATION

This is to certify that Mrs. Haroni Tadesse has properly completed her research work entitled “Factors Affecting Buying Behavior of Customers: The Case of Car Market in Addis Ababa” with our guidance through the time. In my suggestion, his task is appropriate to be submitted as a partial fulfillment requirement for the award of Degree in Master of Marketing.

Research Advisor

Zemenu Ayinadis (Ass. Prof)

Signature and Date

LIST OF ACRONYMS/ ABRIVATION

CSI	Consumer styles inventory
IDT	Innovation Diffusion Theory
SD (sd)	Standard deviation
SPSS	Statistical Package for the Social Sciences
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action

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ABSTRACT

Consumers make their buying decision to create cost and time savings benefits at the expense of various risks. The general objective of this study is to investigate the factors that influencing consumers buying decisions in car market in Addis Ababa. Using descriptive and explanatory research methods, this study found that most of the consumers collect pre-purchase information more than two times, contact/visit the dealers repeatedly, exhibited various color preference and they are price sensitive to buy a car. The study found that A.A car market can be demonstrated as unfaithful market within lowest mean and consumers highly prefer to convenience. Most of the consumers need cars that express their way of life, product variety and they are fascinated by product image like Toyota and BMW. Besides, there is a positive and significant relationship between trust, life style, product variety, convenience, and product image and consumer behavior by correlation analysis. Further, there is a positive and significant effect of trust, life style, product variety, convenient and product image on consumer behavior using binary regression model. Finally, using chi-square decision rule, the result revealed there is no difference between female and male consumers buying decisions in car market in Addis Ababa. The study that shows to females and males has the same need structures and decision models when shopping cars in A.A. Consumer behavior is based on the act of individuals who make decision to spend their available resource (money, time& effort) on consumption of related item. As trust has positive influence on consumers` buying behavior, Ethiopian car market should be restructure based on stakeholder value and marketers build trust which can lead to increase consensus for the strengthen of the business and ensure to be engage in the process.

Key Words: Buying Behavior, Customers, Car Market

CHAPTER ONE

INTRODUCTION

This chapter presents the introduction part of the study. It includes background of the study, statement of the problem, research questions, objective of the study, definitions of terms, and significance and scope of the study.

1.1 Background of the Study

Consumers make their buying decision to create cost and time savings benefits at the expense of various risks. Consequently, marketers need to alter their operations and internal and external communication media, and such major changes can encounter resistance (Shi, Shambare and Wang, 2008). Accordingly, organizations need to understand the dynamics of the consumer decision making process. While the process and the internal and external factors affecting decision making would vary from person to person and within the same person from situation to situation, the study of consumer behavior attempts to draw certain generalizations (Ram and Manoj, 2014). The main decisions engaged by a consumer relates to what he buys (products and services), how much he buys (quantity), where he buys (place), when he or she buys (time) and how he or she buys (payment terms) (Shi, et al., 2008).

Consumer behavior considers various reasons personal, situational, psychological, and social why people shop for products, buy and use them, sometimes become loyal customers, and then dispose of them (Gowtham, 2014). In view of that, marketers pay for search advertising, or ads and businesses often try to influence a consumer's behavior with things they can control such as the layout of a store, music, grouping and availability of products, pricing, and advertising. Some of the factors results in a temporary influence and others are long lasting (Sangeeta, 2013).

The buyer's mind has been categorized as a black box, which should be opened by the seller in his favor to be an effective marketer (Gowtham, 2014). This is because understanding the buying behavior of the target market is the essential task of marketing manager under modern marketing (kotler, 2009). In addition, it is complicated to predict the complex mind of the consumers as each individual is a unique product of genetics, environment and experience. Thus, this study assessed the factors that typically influence the customers buying decision of the cars in Addis Ababa.

1.2 Statement of the Problem

Due to shifting the behavior of the customers, consumer behavior is not just making a purchase decision or the act of purchasing; it includes the full range of experiences associated with using or consuming products and services Shi *et al.* (2008). It basically includes a sense of pleasure and satisfaction derived from possessing or collecting things. The outputs of consumption are changes in feelings, moods, or attitudes; reinforcement in lifestyles; an enhanced sense of self; satisfaction of a consumer-related need; belonging to groups; and expressing and entertaining oneself (Mahajan *et al.*, 2000).

Any business or market is remarkably competitive with as much as possible offers reasonable price for customers. It is an actual fact that consumers have become a more demanding target with impulsive and no arbitrary desires, and that market is interesting and demanding. Accordingly, most of the studies such as Tapp and Hughes (2004), Limbu, Wolf, and Lunsford, 2012 and O’Cass (2000) produced variant results as psychological, social, demographic variables are considered as the personal buying decision variables. As far as the researcher’s knowledge concerned, there was few previous empirical research was undertaken on the factors that influence buyers’ purchase decision making towards market in Addis Ababa.

However, after the preliminary study, the researcher understood that Ethiopian marketers are unable to predict consumers’ buying decision to purchase or not to purchase. In addition, they blamed the buyers make time consuming decisions regarding the features, where and when to make the actual transaction, how to take delivery or possession, the mode of payment and other issues. In Ethiopia the country has imported a total of 135, 457 vehicles during Ethiopia's fiscal calendar ended July, 2019, according to the statistics obtained from the federal ministry of transport. The figure is 30,834 higher than the total amount of vehicles the country has registered the previous year (Transport Authority, 2019).

Within the escalation of automobile market in the country, the decision to make a purchase is really unpleasant and they spend needless time. Car marketers confidently state that Ethiopian consumer’s decision is heavily associated with cautious and need to avoid risk. On other hand, preliminary respondents accused marketers as car market in Ethiopia is risky by adding uncertainty attributes such as remixing old spare parts, missing car features, and unfaithful

technical checkup. As result, consumer's loss their busying self-confidence and hidden their actual behaviors.

However, Kotler (2003) stated that marketers must understand the factors that provoke a feeling of risk in the consumer and provide information and support to reduce the perceived risk. A consumer's decision to purchase or not to purchase a product is an imperative moment for most marketers. It can signify whether a marketing strategy has been wise, insightful, and effective, or whether it was poorly planned and missed the mark. Thus, this study aims to clarify a clear idea of the determinants that somehow incite humans on the car buying decision process in Ethiopia. This research paper examined the relationship between various factors that affect the consumer behavior towards car market in Ethiopia.

1.3 Research Questions

- To what extent does loyalty towards a specific product (trust) affect the consumer behavior towards in car in Addis Ababa?
- To what extent does product variety affect the consumer behavior towards car in Addis Ababa?
- To what extent does convenience affect the consumer behavior towards in car in Addis Ababa?
- To what extent does lifestyle affect the consumer behavior towards car in Addis Ababa?
- To what extent does product image affect the consumer behavior towards car in Addis Ababa?
- Does female and male having different consumers buying decisions towards in car in Addis Ababa?

1.4 Objective of the Study

1.1.1 General Objective

- The general objective of this study is to investigate the factors that influencing consumers buying decisions in car market in Addis Ababa

1.1.2 Specific Objectives

The specific objectives of the study are:

- To examine the effect of loyalty towards a specific product (trust) on the consumer behavior towards in car in Addis Ababa?
- To investigate the effect of product variety on the consumer behavior towards car in Addis Ababa?
- To examine the effect of convenience on the consumer behavior towards in car in Addis Ababa?
- To assess the effect of lifestyle on the consumer behavior towards car in Addis Ababa?
- To examine the effect of product image on the consumer behavior towards car in Addis Ababa?
- To assess the difference **female and male** on consumers buying decisions towards in car market in Addis Ababa

1.5 Significance of the Study

Within the economic growth and changing the purchasing ability of consumers, this study helps to present marketing benefits for car marketers in Ethiopia. It helps to understand consumers' behavior, either to buy a product or just to get information, as well as the spending behavior. The study will contribute to increase awareness of consumers with high visibility tend to be considered as trustworthy and reliable by the consumers. It helps to change a sequence of market innovations that have facilitated communication and spending pattern. The study will help to satisfy consumers' needs, and it differs from other self-service innovations in financial services since it requires major changes in behavior.

In addition, this study will be a significant endeavor in promoting service and relationship marketing in marketing environment in Ethiopian. Outstandingly, this study will be the input for further studies in similar researches for researchers who intend to undertake the same study. And it will be easily grasped for marketing and buying decision as a reference.

Overall, this study will also be helpful to any industry managers, professionals, experts, academicians and other researchers when they employ effective practices and in filling the knowledge and experience gap on the concepts related to the use of car and other products marketing.

1.6 Scope and Limitation of the Study

1.6.1 Scope of the Study

The scope of the study is divided into three parts such as geographical, conceptual and methodological.

1.6.1.1 Geographical Scope

This research was conducted in Addis Ababa and the study is restricted activities such as consumers buying behavior and their challenges in the indicated specific geographic location.

1.6.1.2 Conceptual Scope

This study focused on consumers buying decisions in car market in Addis Ababa. It considered trust, product variety, convenience and lifestyle towards car market in Addis Ababa. In addition, this study did not include business, commercial, government and other international and local organization car buying behavior. It focuses on the buying behavior of final consumers like individual's differences buying decisions that buy goods and services for personal consumption (personal passenger car). It shows how consumers gains information of the products easily and the buyers can also buy the previous product they bought last time with saving time and also shows decision-making process with refers to market choice and price sensitivity during purchase.

1.6.1.3 Methodological Scope

This study use information from limited sampled female and male consumers and marketing actors involved in the sector in the study areas. Data were collected from consumers and sales persons of car business. The study used explanatory and descriptive research design with mixed research approach.

1.6.2 Limitation of the Study

The findings of this study are not based entirely upon the research conducted among the respondent across the country automobile owners. Hence, it may not be representation of the whole preference of Automobile preference in Ethiopia. This study is not entirely combine demographic, social and psychological data and study consumer decision making in order to understand the consumers. Even if these dimensions help to explain consumer life styles, this study selected suitable variables that determine the most appropriate marketing factors that will

satisfy consumers. As a result, it is imperative for marketers to use basic factors in conjunction with and part of social, psychological and consumer decision-making analyses

1.7 Definitions of Terms

1.7.1 Conceptual Definitions

- **Consumer buyer behavior** is the buying behavior of final consumers—individuals and households that buy goods and services for personal consumption (Kotler and Armstrong, 2012).
- **Consumer markets** all the individuals and households that buy or acquire goods and services for personal consumption (Kotler and Armstrong, 2012).
- **Marketing** is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association, MA, 2013)

1.7.2 Operational Definitions

- **Consumers' life style** tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics (Kotler and Armstrong, 2012).
- **Market** is the set of all actual and potential buyers of a product or service (Kotler and Armstrong, 2012).
- **Decision-Making Process** refers to brand choice and price sensitivity are quite different during purchase (Lying, 2016).

1.8 Organizations of the Study

In this study, the first chapter will consist of the background and statement of the problem along with objective, significance, limitation and scope of the study. The next chapter will include literature review which is organized by theoretical concepts as well as and empirical literature reviews focused consumer behavior and the like. The third chapter will include methods of the study and it comprise from study approach and design including sampling methods, population, analysis method and ethical consideration. The fourth chapter of this study will focus on analysis

part of the study that include empirical testing and discussion of the study. Finally, recommendation, summary and conclusion of this study will be followed.

CHAPTER TWO

REVIEW OF LITERATURE REVIEW

This chapter presents theoretical framework of the study namely consumer behavior theories with basic study model. It also includes theoretical related literature review and empirical literature with showing independent and dependent variables with conceptual framework of the study.

2.1 Theoretical Literature of the Study

2.1.1 Consumer Behavioral Theories

Consumer behavior has become an emerging research area with an increasing number of publications per year. The research articles appear in a variety of journals and conference proceedings in the fields of information systems, marketing, management, and psychology. A review of these articles indicates that researchers mostly draw theories from classical consumer behavior research, such as behavioral learning (Skinner, 1938), personality research (Folkes 1988), information processing (Bettman 1979), and attitude models (Fishbein 1967) as cited by Ami-narh and Williams, 2012). There are various theories that are Theory of Reasoned Action (TRA) and the Theory of Planned Behavior (TPB) are the dominant theories that have also been repeatedly tested in the study of consumer behavior.

2.1.1.1 Theory of Planned Behavior (TPB)

Theory of Planned Behavior (TPB) addresses individual motivational factors within unique contexts to explain the overall execution of a specific behavior. It is assumed that intentions will capture motivational factors that influence behavior, following that an intention is an indication both of how hard a person is willing to work, and how much effort a person will exert, in order to perform the behavior (Aminarh and Williams, 2012). The TPB builds on the theory of reasoned action by introducing a person's control beliefs, or the presence of factors that can assist or hinder the performance of a behavior. Perceived behavioral control is an individual's evaluation of her or his ability to engage in the intended behavior based on her or his perceived power, or perceived difficulty or ease, of performing the behavior (Ajzen, 2011).

2.1.1.2 The Theory of Reasoned Action

The theory of reasoned action is focused on two main factors as determinants of a behavioral intention: an attitudinal factor, defined as personal; and a normative factor, defined as social. It is theorized that an individual's behavior is a result of his or her intentions that attitudes and subjective norms are of behavioral intention and that behavioral and normative beliefs are of his or her attitude and subjective norms (Ami-narh& Williams, 2012).

2.1.1.3 Diffusion of Innovation– Roger's Theory

Rogers explained the diffusion of the innovation process as the spreading out of innovation is a process by which, through certain channels, novelty is communicated among the members of a social system over time (Rogers, 1995). Accordingly, it is a process that spreads innovation out from its discovery or creation source to the user or its adapter, a process that occurs in the society as a group process (Rogers, 2003). There are four elements involved in the process such as innovation, communicated through certain channels, adopted among members within a social system and duration or the time factor. Rogers (1995) defines the characteristics of innovation as causes for the adoption of innovation at different levels.

An innovation is defined as “an idea, practice, or object that is perceived as new by an individual or another unit of adoption” (Rogers, 2003). As indicated above, these variables are: innovation, communication channels, time and social system, because “an innovation is communicated through certain channels over time among the members of a social system.

The first of them is the Innovation Diffusion Theory (IDT) by Rogers, which derives from sociology and whose aim is to explain the variables of the innovation decision process. The theory argues that individuals can be classified considering their grade of adoption of innovations and as well that this adoption is also influenced by: relative advantage, compatibility, complexity, trial ability, and observability (Aminarh and Williams, 2012).

Relative advantage is defined as the percentage to which an innovation is considered better than the idea it is replacing. Compatibility refers to the rate to which innovation is considered as consistent with the potential end-user's needs and expected values regarded as being consistent with the potential. Complexity in the end-users” is defined as the perceived level of difficulty in the use and understanding of the new innovation. Trial ability refers to the rate to which these

innovations can be tested on a limited basis. Finally, observability refers to the degree to which the innovation results can be perceptible by the rest of individuals. These features are used to explain the decision making process as well as the end-user adoption (Lee, Yi-Chuan, & Hsu, 2011).

2.1.2 Consumer Decision Making Styles

Table 2.1 Consumer decision-making characteristics

Consumer characteristics	Attributes
Perfectionistic/High-quality	Getting very good quality is very important to me.
	When it comes to purchasing products, I try to get the very best or perfect choice.
Brand conscious	The well-known national brands are best for me.
	The more expensive brands are usually my choice.
Fashion conscious	I usually have one or more outfits of the very newest style.
	I keep my wardrobe up-to-date with the changing fashions.
Recreational/Hedonic shopping conscious	Shopping is a pleasant activity to me.
	Shopping is one of the enjoyable activities of my life.
Price-Value conscious	I buy as much as possible at “sale” prices.
	The lower priced brands are usually my choice
Impulsive	I should plan my shopping more carefully than I do.
	I am impulsive when shopping.
Confused by over-choice	There are so many brands to choose from that often I feel confused.
	Sometimes it’s hard to choose which stores to shop.
Habitual-Brand Loyal	I have favorite brands I buy over and over.
	Once I find a product or brand I like, I stick with it.

Source: Shi *et al.*, (2008)

Marketers also need to be aware that consumer decision making varies with the type of buying decision. The decisions to buy toothpaste, a tennis racket, a personal computer, and a new car are all very different. In general, complex and expensive purchases are likely to involve more buyer deliberation and more participants (Lee *et al.*, 2011). In addition to examining buying roles and behavior, smart companies research the buying decision process involved in their product category. They ask consumers when they first became acquainted with the product category and brands, what their brand beliefs are, how involved they are with the product, how they make their brand choices, and how satisfied they are after purchase.

A consumer decision-making style is defined by Shi et al., (2008) as “a mental orientation characterizing a consumer’s approach to making consumer choices.” They developed and validated measures for eight consumer decision-making characteristics, called consumer styles inventory (CSI); perfectionistic, brand conscious, fashion conscious, recreational shopping conscious, price-value conscious, impulsive, confused by over-choice, and habitual-brand loyal (Subadra, Murugesan, Ganapathi, 2010).

Changes in consumer purchasing behavior caused a lot of alterations. The path of decision making from the problem to results under the influence of consumers have become shorter in terms of time, nevertheless some new problems have arisen – the lack of social contact, safety measures in e-commerce, logistics etc. Most important benefits of the shopping process at traditional buying process are buying process, contact with equal and for e-shopping money saving, time saving, conveniences and all around a clock (Neal, 2006).

2.1.3 Consumer Buying Decisions Models

Ram and Manoj (2014) cited Belch (1998) who defines consumer buying decisions model as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires’. Behavior occurs either for the individual, or in the context of a group, or an organization. Here is now presenting most of relevant models developed by marketing scholars and research in the context of purchase decisions of products (Neal, 2006).

2.1.3.1 Howard-Sheth Model

Howard-Sheth model of buyer behavior, which was developed in 1969 and it highlights the importance of inputs to the consumer buying process and suggests ways in which the consumer orders these inputs before making a final decision. This model is the most frequently quoted of all consumer behavior models. TheHoward-Sheth model is a comprehensive theory of buyer behavior that has been developed as a result of empirical research Horton (1984) cited in Ram and Manoj (2014). The model is an integrative model that incorporates various aspects of consumer behavior; it links together the various constructs which may affect the decision making process and explains their relationship that leads to purchase decision. It gives highpoints the importance of inputs to the consumer buying process (Subadraet al., 2010).

It was one of the first models to divulge as to what constitutes loyalty towards a specific product. It helped gain insights in to the processes as to how consumer process information. The model is user friendly and is one of the few models which has been used most commonly and tested in depth. On the other hand, the limitation lies in the fact that the various constructs cannot be realistically tested; some of the constructs are inadequately defined, and thus do not lend to reliable measurements (Shende, 2014).

2.1.3.2 Engel-Kollat-Blackwell Model

This model was formed to explain the increasing, fast-growing body of knowledge concerning consumer behavior. Ram and Manoj (2014) stated Engel-Kollat-Blackwell as a model has gone through many revisions to improve its descriptive ability of the basic relationships between components and sub-components; which consists of four stages. This model incorporates many items, which influence consumer decision-making such as values, lifestyle, personality and culture (Shende, 2014). The model did not show what factors shape these items, and why different types of personality can produce different decision-making? How will we apply these values to cope with different personalities? Religion can explain some behavioral characteristics of the consumer, and this will lead to better understanding of the model and will give more comprehensive view on decision-making (Subadraet *al.*, 2010).

2.1.3.3 Sheth-Newman Gross Model of Consumption Values

This model has five consumption values influencing consumer choice behavior such as functional, social, conditional, emotional, and epistemic values. Any or all of the five consumption values may influence the decision. Various disciplines (including economics, sociology, and several branches of psychology, marketing and consumer behavior) have contributed theories and research findings relevant to these values (Shende, 2014).

The five consumption values recognized by the theory make differential contributions in specific choice contexts. Social, epistemic, and conditional values have little influence. Obviously, a choice may be influenced positively by all five consumption values for example, to a first-time home buyer, social values (friends are also buying homes), emotional values (the consumer feels secure in owning a home), the purchase of a home might provide functional value (the home

contains more space than the present apartment), epistemic value (the novelty of purchasing a home is enjoyable), and conditional value (starting a family) (Subadraet *al.*, 2010).

2.1.4 Consumer Decision-Making Framework

Ram and Manoj (2014) cited Gilbert (1991) suggested a model for consumer decision-making in which is shown below. The consumer decision making model states that there are two levels of factors that have an effect on the consumer. Close to the person and includes psychological influence such as perception and learning is considered as the first level of influences. The second level of influences includes those, which have been developed during the socialization process and include reference groups and family influences.

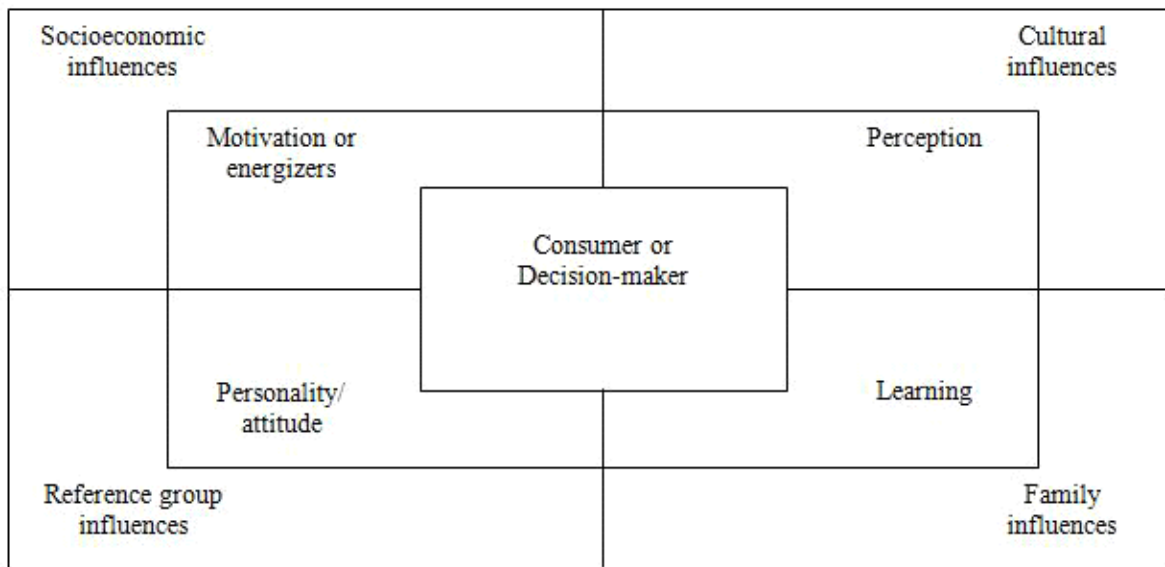


Figure 2.1 Consumer Decision-Making framework (Source: Ram and Manoj, 2014)

2.1.5 Summary Theoretical Framework of this Study

The literature review revealed that both utilitarian dimension that is, perceptions of functional benefits (ease of use; usefulness) and hedonic dimension that is perceptions of emotional benefits are basic antecedent of consumers' attitude and intention to use new technology which can be applied. Trust and perceived risk are part of consumer purchase intention. This study uses attitudinal theoretical models in the study of consumer purchase and thoroughly investigated the antecedent factors like intention, attitude, subjective norm; perceived behavior control, ease of use and perceived usefulness (Pavlou, 2003).

The buyer behavior models indicated above suggest that if the actual outcome of a product is judged to be better than or equal to the expected, the buyer feel satisfied, can plan for repeat purchase or become brand loyal. The models of consumers buyer's behavior are very similar in its outcome, varies on the basis of consumers priorities and the intensity of need and wants of a particular product. Additionally, various products have their own relevance in consumer buying decision making process depending its utilities and urgencies to consumers apart from various consideration of loyalty towards a specific product (Trust), product variety, convenience lifestyle and product image which have a value association, which determines the degree of demand. That has a value component reflective of the affective intensity associated with attribute that directs the intension to purchase and consume (Yoo and Donthou, 2002).

2.2 Empirical Literatures

2.2.1 Global Perspective

Liyang (2016) found that several motivation factors, such as situational factors, characteristics of products as well as the experience of previous e-shopping can influence consumers' attitudes. Moreover, available decision support systems can help people to make wise decisions among overwhelming information. A successful car retailer—ASOS is chosen as an example of how consumers' decision making can be supported through the arena. As a suggestion, trust building and maintaining, brand loyalty building as well as recommendation agent are key points of retailers' development in future. Furthermore, introduction of customer design system is the key contribution of his paper. Besides, Mintel (2015) stated that the price is one of the important factors in consumer's decision-making as well. While retailers get high levels of income, the profits are lowered down by untenable pricing, for 28% of consumers use a strategy of choosing the lowest price retailer and in particular e-consumers are sensitive with prices also.

Dhanalakshmi (2007) studied on consumer perception and brand preference towards small cars in Erode district", stated that the new players who are capable of attracting customers by offering lower price and the established car companies have to redefine their relationship with the dealers. In addition, Kaushik and Neeraj (2008) assessed buying behavior of passenger cars and stated that the most of the respondents were aware of many popular brands. They believe that the brand name represents them something about product quality, utility, technology and delight features.

Moreover, Natarajan and Thiripunasundari (2010) focused on the consumer preference of global brands vs local brands in the study car industry. The findings of the study advised that the consumers who possessed their car brand due to factors such as global presence, worldwide reputation and the quality of being imported.

On other hand, Singam (2008) focused on customer satisfaction and stated that the advanced lean burn technology optimized the fuel-to-air ratio in the engine. The favorite features like auto gears, auto start, and hyper suspensions are considered by the consumers when they go for purchase. Further, Sweeney and Soutar (2001) focused on customer perceived value that is a bundle of different dimensions such as operational value, conditional value, psychological value, communal value and cognitive value. Customer perceived value is an amount of potential customers that the company having and it is outcome of what customers paying and in return what they are receiving. It is understood that customer perceived value evaluates that what customer is paying and what he is getting in return. It is a component for benefits received by the customers and thus it replicates customers' satisfaction over the product. It is assumed that the amount of customers' satisfaction will increase only when they are reaping more benefits from products.

2.2.2 Ethiopian Perspective

Bizu(2018) investigated Arada sub-city automobile owners, brand preference comparing international automobile brand with locally assembled automobile brands. The research used descriptive research design and primary data was collected using questioner. The study 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 concluded that international brands 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.

Sisay (2017) assessed factors that influence brand choice with a sample size of 300 respondents was selected using convenience sampling technique. The research paper explored the proposition that brand choice behavior is influenced by five consumption values, these being functional,

social, emotional, conditional and epistemic values using SNG (1991a) theory of consumption values model. Among the determinant factors, brand name, attributes, emotional connection, image, spare part, accessibility, and price are found out to be significant determinant of brand preference while external influence are found to be insignificant in determining brand preference. In general, dealers this segment market should provide brand that has sell with reasonable price, has to also focus on vehicles attributes, provide better maintenance, also give much more focus on advertisement connection and image of the car and emotional connection.

Daniel (2018) examined the influence of the factors on customers purchase decision making towards locally assembled Lifan automobiles in Addis Ababa. The study used quantitative research approach and structured questionnaire was employed. The finding showed all independent variables (product attribute, brand image ,after sales service, price factor and external factor have a significant correlation with the dependent variable “consumer purchase decision making” with 95% confidence interval & at 0.05 p-value, by scoring a Pearson Correlation Coefficient “R-value” value of .497**,.562**,.419**,.507**,.561** respectively. In this case relatively brand image had a higher strong relationship with consumer purchase decision than the other four independent variables &the linear combination of (independent variables).

2.3 Conceptual Framework

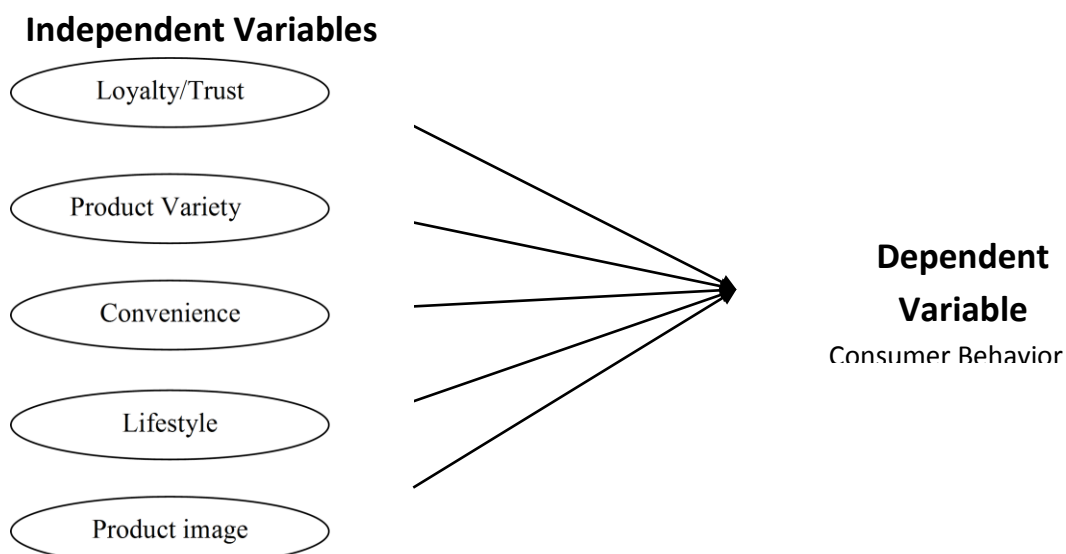


Figure 2.2 Conceptual Framework adapted from Ram and Manoj (2014) and Liying (2016)

People are used to changing their approaches of making decisions according to different environment and situations, and always try to reduce the effort related to cognition of decision making. In this case, consumers seek support when they are encountered with too much information so as to spend less effort on making better decisions. The above conceptual framework shows the relationship among trust, lifestyle, product variety, convenience and product image as independent variables and dependent variable called consumer behavior.

2.4 Hypothesis

Consumers like trying and fitting experience in a traditional shop, and they also want to have the same experience while purchasing or shopping. A customer design system can gather personal data of consumers such as size and facial profile, and provide enough options to consumers to specialize their own products. This kind of customer design system can totally meet consumers designing demand and realize their imaginations rather than providing a fitting room simply. By providing awards to good designs and other services can further perfect customer design system.

2.4.1 Loyalty/Trust

Consumers can hardly physically touch and feel, and even try the products as they usually do in a traditional store and such problems lead to risk and uncertainty of various shopping's (Malik, 2013). As a result, trust issue has become one of the most common concerns over e-commerce (Lee & Turban, 2001). Consequently, in order to build and maintain customer trust, the retailer should develop "trust-building interventions". They found that these post-purchase polices are welcome to the customers, and resulted in positive trends in order frequency. Such post-purchase services can reduce risk of shopping and enhance trust between the retailers and consumers

- **Hypothesis 1:** Trust has a positive and significant effect on consumer behavior in car market in Addis Ababa

2.4.2 Product variety

Consumers are more conservative than those with the traditional method in the mall. For instance, the famous brand gains more popularity on websites which means consumers are afraid of trying variety and new products without feeling and touching them in stores. The recognized brands promise the quality of products themselves, and consumers feel safe to purchase products of familiar brands in familiar sizes. Distinguished brand with detailed description and lower price

will attract more consumers, and consumers turn out to be more conservative and sensitive with variety products (Andersone and Gaile-Sarkane, 2009).

- **Hypothesis 2:** Product variety has a positive and significant effect on consumer behavior in car market in Addis Ababa

2.4.3 Convenience

Situational factors can moderate the relationship among consumers and their attitudes to shop anywhere. Most consumers find the approachability and convenience from shopping because they can shop with comfortable feeling in their familiar environment (Malik, 2013). Moreover, presently, consumers' decision making may also be influenced by the role of decision support technologies and interactive decision aids, which tend to help consumers by analyzing and summarizing the large amount of information and increase the level of convenience and satisfaction.

- **Hypothesis 3:** Ho : Convenience has a positive and significant effect on consumer behavior in car market in Addis Ababa

2.4.4 Lifestyle

Danaher & Davis (2003) indicated that the shopping allowed the customer to gain information of the products easily, and the buyers can also buy the previous product they bought last time by using a special list with saving time and their way of life. Marketers combine demographic, social and psychological data and study consumer decision making in order to better understand the consumers. These dimensions help to explain consumer life styles; the ways the people live. By understanding consumers, a firm is able to determine the most appropriate audience whom to appeal and the combination of a marketing factors that satisfy this audience. So, it is imperative for marketers to use demographic data in conjunction with and part of social, psychological and consumer decision-making analyses. An individual's lifestyle consists of different lifestyle dimensions; these dimensions are activities describe how consumers spend their time, e.g. work, hobbies or vacations, and interests are consumers' preferences and priorities and opinions tell how consumers feel about different issues, e.g. themselves, politics or products. These life style dimensions express a person's pattern of living. Lifestyle will influence consumers' buying behavior and decisions (Kotler and Armstrong,2010).

- **Hypothesis 2:** Lifestyle has a positive and significant effect on consumer behavior in car market in Addis Ababa

2.4.5 Product Image

Kardes (2011) described the self-concept as the totality of an individual's thoughts and feelings regarding him/her as an object. It is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers' values and traits. It allows consumers to express themselves through brand choices. More than half (57%) of consumers doubt if the commerce sites will protect their privacy (Nielsen, 2016). Malik (2013) found that favorable product or brand image has a strong positive influence on the customers' decisions making in car choices. Thus, when consumers intend to buy automobile products, they usually choose the product with preference to strong brand name and company reputation based on trust and previous experiences because of the favorable attitudes towards the brands. This indicates that there is a strong relationship between favorable brand or product image and consumers' purchasing decision in the automobile market.

- **Hypothesis 5:** Product image has a positive and significant effect on consumer behavior in car market in Addis Ababa

2.4.6 Consumers Decision Difference

Consumers' perceived value is the core construct and foundation in all relational exchange activities, and is a critical factor influencing repeat buying action in shopping contexts (Nielsen, 2016). Consequently, it is crucial to identify the factors affecting consumers' perception of value. Benefits and sacrifice coalesce perceived value. However, the linear relationships between benefits/sacrifice and perceived value might be contingent upon consumer characteristics, such as gender and age. Females and males have different need structures and decision models when shopping; they may react to the same benefits differently resulting in differences in their perceived value, which in turn can result in a different repurchase intention (Malik, 2013).

- **Hypothesis 6:** There is a difference between female and male consumers buying decisions towards car market in Addis Ababa

CHAPTER THREE METHODOLOGY

This chapter presents research approach and design of the study. It also includes target population, sampling procedure and techniques, data type and source, validity and reliability test, data presentation and model of the study and ethical research standards of the study.

3.1 Research approach

Research can be approached as qualitative and quantitative or mixed when approach to research has been considered as the criterion of classification. Qualitative research is more subjective in nature than quantitative research and involves examining and reflecting on the less tangible aspects of a research subject, e.g. values, attitudes, perceptions. Whereas, the emphasis of quantitative research is on collecting and analyzing numerical data; it concentrates on measuring the scale, range, frequency etc. of phenomena (Marczyk and Festinger, 2005). In addition, mixed method integrates quantitative and qualitative data collection and analysis in a single study or a program of enquiry (Creswell, 2009).

This study collected and analyzed numerical data; concentrates on measuring the scale, range, frequency etc. of phenomena. The study is highly detailed and structured and results can be

easily collected and presented statistically. On other hand, this study depends on careful definition of the meaning of consumer behavior and its associated factors and it properly develops the concepts and variables of consumer buying behavior, and the plotting of interrelationships between these. Marketing concepts such as product image, life style, loyalty, trust, affluence, product variety and others are real and detectable, even if they are difficult to record and measure. Overall, the study employed both methods and it can be said that it is a mixed research approach.

3.2 Research Design

The research design can be classified using a variety of ways, such as the methods of data collection, time dimension, researcher participation and the purpose of the study. On the other hand, the most widely-used classification is the one based on the purpose of the study. There are three types of research design based on the study's purpose: exploratory, descriptive and causal (Creswell, 2009). The exploratory study provides more insight and ideas to discover the real nature of the issue under investigation. Descriptive study stems from prior knowledge and is concerned with describing specific phenomena; it is a means to an end rather than an end, since it encourages future explanation. Causal or explanatory research explains causal relationships between variables. These three basic designs are interrelated, and the research can combine more than purpose.

This study is going to try to investigate factors affect consumer buying decision on car market business. Because the research was conducted to test the factors affecting busing behavior and explain the relationships between the studies constructs in car market. The study explained causal relationships among factors influencing consumers' behavior in car market to facilitate generalization and to predict the future. Additionally, it employed mathematical models and theories pertaining to consumer behavior. Besides, the study provided a complete picture of car market situation in Ethiopia and explained the buying behavior of the target market that is the essential task of marketing manager under modern marketing. In addition, it described various aspects about car purchase in Ethiopia with its perceived consumer buying decision behavior. It is basically described a behavior and other factors studied in the social science and humanities. Thus, this study appropriately employed descriptive study and explanatory research.

3.3 Data Source and Type

In this study, it took a primary and secondary data for analysis and described the problem raised in the statement of the problem. Primary data are originated by the researcher for the specific purpose of addressing the problem at hand. Thus, the primary data was originated by the researcher for the specific purpose of addressing the problem that was indicated in the first chapter. In this study, a primary data sources were collected from car owners. Even if obtaining can be expensive and time consuming, primary data for this study was gathered through structured questionnaires and interview.

The secondary data for this particular study was collected from marketing reports. Thus, the secondary data was collected from existing reports and statistics by government agencies and authorities and the selected car market data and information section. The secondary data for this particular study was collected from marketing journals and other existing reports.

3.4 Population and Sampling

3.4.1 Target Population

Population is defined as the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected (Marczyk and Festinger, 2005). This study examined the passenger car owners (aged above 21 and below 80 years old) in Addis Ababa from both genders. The target population of the study was those who bought their car for their personal use (384 private passenger car owners) during the year 2019-2020 in Addis Ababa.

3.4.2 Sampling Method

The sample was drawn from car buyer customers through convenient sampling method. It is picked because it is the more accessible method for reaching the respondents by obtaining direct and personal search. In order to make generalizations with confidence about the constructs under investigation, the appropriate sample size has to be considered.

3.4.3 Determination of Sample Size

Sample statistics need to be reliable and represent the population parameters as close as possible within a narrow margin of error. The formula to find out the sample size (n) of infinite population is given as under (Kothari, 2004).

$$n = \frac{(Z)^2 pq}{(e)^2}$$

$$n = (1.96)^2 (0.5) (0.5) / (0.05)^2$$

$$= 384$$

Where, n= sample size

- z= the value of standard variety at a given confidence level and to be worked out from table showing area under normal curve.
- p= sample proportion
- q= 1-p
- e = given precision rate or acceptable error

Thus, the sample size for a population was between one hundred thousand and three million at ninety-five percent confidence interval with five percent error margin is 384 (three hundred eight four). Therefore, the target population of this study was infinite or unknown which required 384 samples. In addition, the city is divided into 10 sub cities and 99 wards based on 2011 National Statistics (CSA, 2013). Data was collected from the highest top population five sub cities based on the proportion of the sample size of 384.

Table 3.1: Sample Size Determination by highest population sub-cities

No	Sub city	Population Age > more than 19 to less than 80	Proportion	Sample Size
1	Kolfe Keranio	420,589	0.000272	114
2	Yeka	259,933	0.000272	71
3	Nifas Silk-Lafto	261,877	0.000272	71
4	Bole	249,964	0.000272	68
5	Gullele	219,346	0.000272	60
Total		1,833,299		384

Survey result, 2020

Respondents were selected from customers who were willing to complete a questionnaire without any discrimination by gender or age, to randomize the samples every odd number entrant will be contacted. In addition to the researcher, three university graduate students who received orientations about the data collection tool including the study.

3.4.4 Sampling Procedure

In this study, the purposive sampling method was applied to select the site of the study and the sources of data. This is because the concept of sampling has been introduced with a view to making the research findings economical. Judgment (purposive) sampling is a nonprobability sampling technique in which an experienced individual selects the sample based on his or her judgment about some appropriate characteristics required of the sample member (Singh, 2006). Practical limitations such as the problem of manageability and time among others are some of the factors that stand in the way of studying the total population. The participants of the present research were selected purposively. This is because the selection of appropriate participants for the research is very crucial for the positive result of the study. The participants include passenger car buyers' experts because it is supposed that they have more involvement in car buying consumer decisions. To identify such research participants, the study used a variety of procedures known as snowball sampling involve using probability methods for an initial selection of respondents and then obtaining additional respondents through information provided by the initial respondents. This technique is used to locate members of rare populations by referrals (Marczyk and Festinger, 2005).

On the other hand, bias is likely to enter into the study because a person suggested by someone also in the sample has a higher probability of being similar to the first person. If there are major differences between those who are widely known by others and those who are not, this technique may present some serious problems. Thus, the target is to extend the initial respondents and the data collection location. Thus, data were collected from five highest population sub cities found in Addis Ababa. This method was selected as it is a sampling procedure in which initial respondents are selected by probability methods and additional respondents are obtained from information provided by the initial respondents.

3.5. Data Collection Instrument

There were two types of data collection instrument that were used in this study. A questionnaire was prepared that consist two parts which are respondents profile and main research questions. It consists of five dimensions, 24 statements with a five-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree) questionnaires will be introduced. The questionnaire was developed in English and translated into Amharic (the local language) and back translated into English to ensure its consistency.

3.6 Methods of Data Analysis

Once the usable responses from the questionnaires were collected, the data was recorded and coded into SPSS software. After the collection process of relevant data is completed; proper method of data analysis is going to be used. The analysis indicates transformation of raw data in to a form that makes easy to understand and interests it. First, the empirical data was analyzed by descriptive statistics (frequency, mean and standard deviation). Next, the data was analyzed using statistical techniques of correlation analysis as the study used Likert scale, spearman correlation was used. Besides, independent t test was used to show the difference of score means between respondents (the mean difference among male and female respondents).

In addition, the study used Logistic Regression as a part of model building. Logistic regression is a variation of the regression model, wherein the dependent variable is a categorical variable. The logistic regression also allows the independent variables to be categorical variables. The logistic regression is nothing but the non-linear transformation of linear regression. The researcher has used the binary logistic regression, where the dependent variable is a dichotomous variable like ability to buy small car (yes or no decision). The regression value will range between 0 and 1, indicating the unwillingness by 0 and the willingness by 1. The model fit is tested using the „percent correct prediction“ which is calculated based on the estimated p value (event occurring). The bigger the percent correct predictions, the better the mode. Finally, the qualitative data was analyzed and described according to respondents' responses.

$$Y_1 = B_1 + X_1B_1 + X_2B_2 + X_3 B_3+ X_4 B_4+ X_5B_5 + X_6B_6 + E$$

Where

- Y_1 = Consumer Behavior

- The purchase decision of a consumer for buying a car (Y) is considered to be depending upon the following independent variables
- B1 – Coefficient of constant and B1-6 are the coefficient of independent variable where
- X1 – Loyalty/Trust
- X2 – Product variety
- X3 – Convenience
- X4 – Lifestyle
- X5 – Product Image
- X6 – Gender (Male or Female)
- E Is the error term

3.7 Validity and Reliability

3.7.1 Validity

Kothari (2004) says validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In this research different mechanisms were used to enhance the validity of the study. In the first place, non- random sampling was used, this method reduced the possibility being in valid and in addition, the appearance and appropriateness of questioner was checked by professional in the field so as to refine the questions.

3.7.1.1 Pilot Test

A pilot survey was conducted on minimum of 18 respondents prior to administrating the questionnaire to the selected sample size. The pilot survey is undertaken to check if the questionnaire is easily understandable and straightforward to ensure that the respondents can answer the questions without difficulty.

3.7.2 Reliability

It is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results Kothari (2004). The two variants of reliability will be assured through standardizing the condition under which the instrument administered (stability aspect) and employing the same design of measurement for the whole sample (equivalence aspect).

Table 3.2 Reliability Test

Reliability Statistics

	Cronbach's Alpha	N of Items
Loyalty/Trust	.784	3
Lifestyle	.821	5
Product variety	.811	3
Convenience	.832	4
Product Image	.774	4
Consumer Behavior	.807	5
Overall	.896	24

Survey result, 2020

For this purpose, Cronbach's Alpha-values was applied to determine the reliability of the construct as a measurement instrument. Besides this test for reliability the researcher takes some precaution in advance by conniving research design and data collection procedures in a way that could bear itself for further investigation where later investigator could come up with the same result through following the same procedures. All variables were scored more than 0.75Cronbach's Alpha test and it shows that they maintained internal consistency. In this regard, values of 0.75 or greater were considered adequate for a scale that will be used to analyze associations (Sangeeta, 2013).

3.8 Ethical Considerations

This study like other academic researches abides by ethical issues, moral conducts and service confidentiality to the dairy's data and for the privacy of respondents. The questionnaire was designed out in such a way that respondents are not required to write the names and reveal their personal information on the questionnaire and the confidentiality of data being collected is handled with due care and used for academic purpose only. Every person involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was drawn is acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION AND DISCUSSION

This part of the study presents the study' data presentation, analysis and discussion part which contains research model and demographic profile of respondents.

Response Rate

The study attended 62 % of responses rate as 240 questionnaires were properly returned out of 384 distributed questionnaires. Thus, it can be said that the study attended good reactions with respondents due to Covid 19 struck and its consequence.

Table 4.1 Response by Sub City

No	Sub city	Sample Size	Returned	Response rate
1	KolfeKeranio	114	65	57%

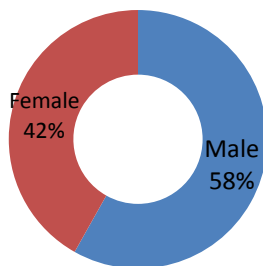
2	Yeka	71	47	66%
3	Nifas Silk-Lafto	71	41	58%
4	Bole	69	49	71%
5	Gullele	60	37	61%
Total		384	239	62%

Survey result, 2020

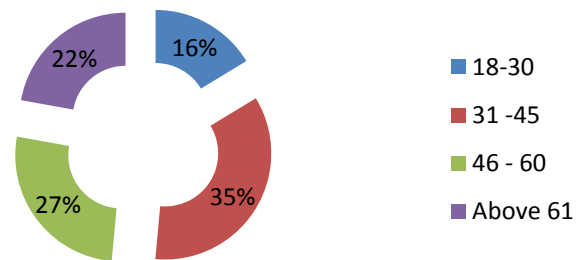
4.1 Respondents Profile

This part presents the respondents' profile about their education, gender, age, marital status, purchasing behavior in terms of preference, car choices and priority given in buying process. .

Sex Distribution in %



Age Category in %



Survey result, 2020

Figure 4.1 Respondents' age and gender profiles

The above figure attempted to show the respondents' gender participation and age category. This helps to know their background information on the respondents at different level has been shown throughout doughnut charts. The study found that, among the 239 respondents 42%, i.e., 100 individuals were female and 58%, i.e., 139 individuals were male (Pie figure). In addition, among these respondents 16% of the respondents are of age below 30 years, 35 % individuals are of age 31 -45 years and the remaining 48 % of them are of age more than 46 years.

Table 4.2 Respondent profile – Marital Status and Income

Marital Status			Income		
category	Frequency	Percent	category	Frequency	Percent
Never Married	97	41	Less than 10000	13	5
Married	91	38	10001 - 20000	64	27
Divorced	26	11	20001 - 30000	78	33
Widowed	25	10	Above 30001	84	35
Total	239	100.0	Total	239	100.0

Survey result, 2020

The above table portrays that among 239 collected questionnaires conducted research on, 41 % of them are single and 38 % married and others around 21 % divorced and widowed. Moreover, 87% of them have more than 10, 000 Birr per month income.

Table 4.3 Respondent Buying Preference

Collect pre-purchase information		Contacted/visited the dealers		Color Preference		Newness Preference		Priority to looking for a car	
Category	%	Category	%	Category	%	Category	%	Category	%
Less than 2	26	Less than 2	5	Red	14	New	56	Price	35
2 weeks to 1 month	26	3 - 5	27	White	19	Second hand	44	Fuel Efficiency	30
1 -3 month	34	6 - 8	33	Gray	30	Total	100	Look and style	21
3 - 6 month	14	> 9	35	Black	23			Power	14
				Others	14				
Total	100.0	Total	100.0	Total	100.0	Total	100	Total	100.0

Survey result, 2020

The above table portrays 74 % of them assured that they collect appropriate information more than two times before they buy a car (collect pre-purchase information). The majority of them assured that they contacted/visited the dealers repeatedly to buy a car. This study tried to know the buyers color preference; accordingly, customers preferred variety of colors. Respondents claimed that they need to buy new cars; but due to financial constraints they need second hand cars. This also assured by their responses as they preferred to price indicating their priority when they are looking for a car.

Thus, it is an evident that the background information of most respondents were from both gender category, in active age group, as having variety of buying preference. Accordingly, it is understood that they apparently knew the car market, proficient and talented to respond the questionnaire and to provide pertinent data for this study.

4.2 Response Analysis

The response analysis was conducted using mean and standard deviation. They were used to present the various characteristics for data sets. In this study, descriptive statistics helps to enables us to present the data in a more meaningful way, which allows simpler interpretation of the data. Liying (2016) who studied on several motivation factors that influence consumers' attitudes and Mintel (2015) studies were taken as a benchmark mean scores rating. They studied on similar area and used mean scores as 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor.

Table 4.4: Respondents' Responses

Dimensions	At least agree in % (count)	Mean			Sd
		Grand	Min Items	Max Items	
Trust	54% (129)	3.43	3.71	2.95	.909
Life Style	86% (205)	4.14	4.11	4.31	.502
Product variety	81% (193)	4.02	4.27	4.02	.604
Convenience	85% (203)	4.29	4.50	4.18	.589
Product Image	80% (192)	4.23	4.43	4.05	.599

Survey result, 2020

4.2.1 Trust

The above table shows that the mean ranges from 2.95 to 3.71 having widespread range and 3.43 with less variability data. Accordingly, grand mean was rated as agree or good. The standard deviations are below 1 and it shows its variability is less. This grand mean was found by an average mean result of three dimensions. Accordingly, 38 % of the respondents have at least disagreed indicating that they do not trust car market platforms in A.A. It was also checked with interviewees as they confirmed most buyers did not trust car dealers. This is because most of car dealers are not authenticated dealers, selling second hand cars and major parts could be changed by unrelated or old spare parts. On other hand, 65% of them agreed that feel confident on A.A car marketers and 60% of them rely on A.A car market. This shows that customers believe the car market in pricing, product type and other dimensions except the above. Malik (2013) also

stated the same as consumers can hardly physically touch and feel, and existed problems lead to risk and uncertainty of various marketplaces. Equally, trust issue has become the common concerns over car market (Lee & Turban, 2001). Marketers should build and maintain customer trust and trust-building interventions are necessary.

4.2.2 Life Style

The above table shows that the mean ranges from 3.68 to 4.31 with 4.14 grand mean found and rated as agree or good with less variability; the standard deviations are below 1. This grand mean was found by an average mean result of five dimensions. Accordingly, more than 80 % of the respondents have at least agree indicating that they are enjoying buying cars in A.A, give priority to my family when they buy car, believe that having a car simplifies they lifestyle, their lifestyle affects their purchase decision of car in A.A and they believe that having a car is an indicator of modernization. It is understood that it is appreciating buying cars, family is involved, having a car expresses lifestyle and civilization and purchase decision depends on lifestyle in A.A. In addition, interviews responded the same in A.A car market circumstances. Similarly, Danaher & Davis (2003) showed that the marketplaces allowed gaining information of the products easily, and the buyers can also buy the previous product they bought last time by using a special list with saving time and their way of life. As a result, marketers must use demographic data in conjunction, social, psychological and consumer decision-making analyses and individual's lifestyle such as work, hobbies or vacations, and priorities consumers feel about different issues (Kotler and Armstrong, 2010).

4.2.3 Product Variety

The above table shows that the mean ranges from 4.02 to 4.27 with 4.17 grand mean found. It was rated as agree or good and the standard deviations are below 1 and it shows its variability is less. This grand mean was found by an average mean result of three dimensions. Accordingly, 77 % of the respondents agreed that they find variety of cars at the same time in A.A car market; 85% of the find assortment of products in A.A car market and 80 % of them can get a collection of products on car market in A.A. It shows that customers can get variety of cars at the same time in A.A, find assortment of products and can get a collection of products on car market in A.A. It is obvious that there are various attracting car marketplace with having variety of cars in A.A. Consumers are now more interested with the modern and nice-looking market places.

Distinguished brand with detailed description and lower price will attract more consumers with variety products (Andersone and Gaile-Sarkane, 2009).

4.2.4 Convenience

The above table shows that the mean ranges from 4.19 to 4.50 with 4.29 grand mean; it was rated as agree or good. The standard deviations are below 1 and it shows its variability is less. This grand mean was found by an average mean result of four dimensions. Accordingly, almost more than 82 % of the respondents have at least agree indicating that they find suitable mechanism to buy from A.A car market, like A.A car market as it is cars can quickly find, can buy car from anywhere using A.A car market and simple and attractive to buy on A.A car market. It shows that they are pleased that A.A car market is appropriate on that find A.A car market is suitable, pleasant, quickly find anything, can buy car from anywhere and simple and attractive. There is not as much of a stealing in A.A as per interviewees. Thus, this factor can moderate the relationship among consumers and their attitudes to market anywhere. Most consumers find the approachability and convenience from shopping because they can shop with comfortable feeling in their familiar environment (Malik, 2013). Additionally, consumers' decision making may also be influenced by the role of decision support technologies and interactive decision aids, which tend to help consumers by analyzing and summarizing the large amount of information and increase the level of convenience and satisfaction.

4.2.5 Product Image

The above table shows that product image was rated as good by its grand mean 4.23 and the four means range from 4.09 to 4.43 with less variability data as the standard deviations are below 1. This grand mean was found by an average mean result of four dimensions. Accordingly, around 75 % of the respondents have at least agree indicating product image comes to their mind at first whenever automobile mentioned and outstanding product image gives them a good impression. In addition, more than 84 % of them preferred the category of agree to indicate while buying automobile product image is important to them and they are willing to purchase automobile from well-known automobile company. Malik (2013) stated that consumers usually choose the product with preference to strong brand name and company reputation based on trust and pervious experiences because of the favorable attitudes towards the brands. Customers take

product image as their consumers' purchasing decision criteria in the automobile market. Kardes (2011) designated the self-concept as the totality of an individual's thoughts and feelings regarding him/her as an object. It is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers' values and traits. It allows consumers to express themselves through brand choices. The product image has also a value component reflective of the affective intensity associated with attribute that directs the intension to purchase and consume (Ram and Manoj, 2014).

4.2.6 Consumer Behavior

Table 4.5 : Responses on Consumer Behavior

Dimensions	No	Yes	Mean	SD
I am willing to buy a car.	14%	86%	0.86	.346
I spend more time before I purchase a car	20%	80%	0.80	.398
I need to buy cars outside Ethiopia	19%	81%	0.81	.395
I am influenced by others like sales person when I buy car	22%	78%	0.78	.413
Car purchase is congruent with my needs	22%	78%	0.78	.413
Grand Mean	0.8074			

Survey result, 2020

Consumer Decision Making pertains to making decisions regarding product and service offerings. It may be defined as a process of gathering and processing information, evaluating it and selecting the best possible option so as to solve a problem or make a buying choice. The above table shows that the mean ranges from 0.78 to .86 with .8074 grand mean. The grand mean was found to be approaching to 1. Accordingly, 82 % of the respondents expressed their purchase behavior as the need they are willing to buy a car in A.A car market, spend more time before they purchase a car, need to buy cars outside Ethiopia, they are influenced by others like sales person when they buy car and finally car purchase is congruent with their needs.

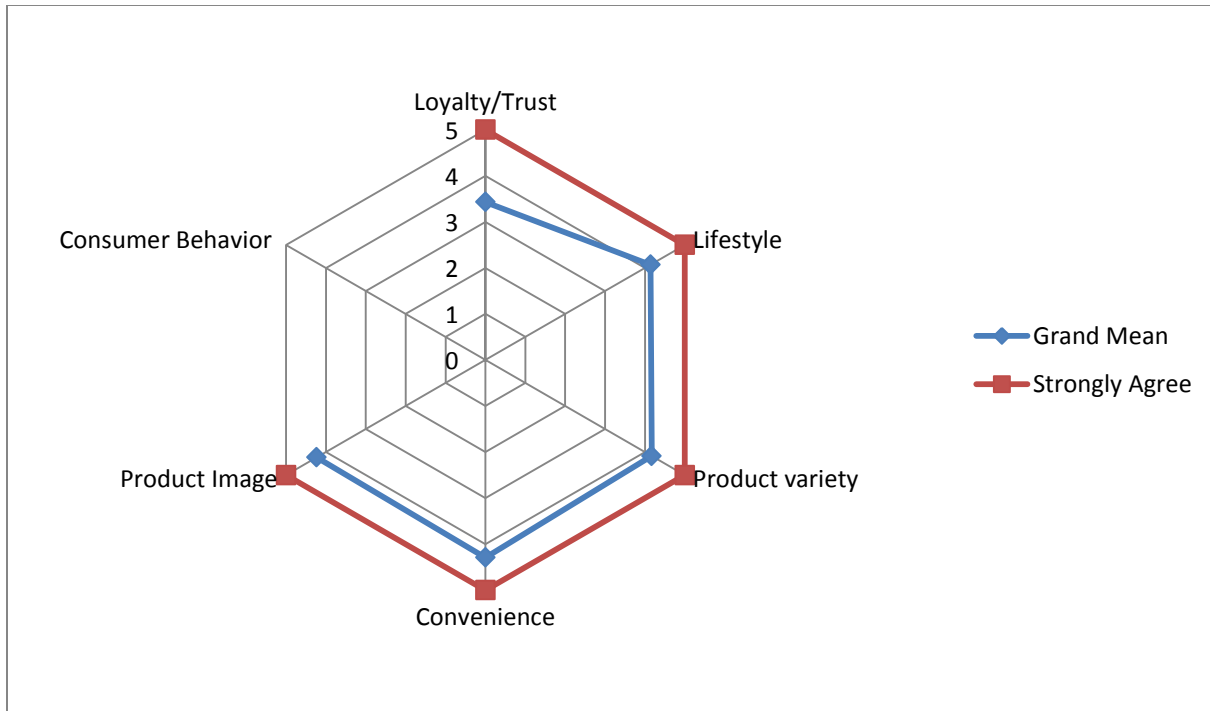


Figure 4.2 Grand mean

Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. Consumer behavior is a study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires (Ajzen, 2011). Thus, this study found that lowest mean found on loyalty/Trust 3.43 and highest mean was found by convenience as 4.29; others lifestyle 4.14, product variety 4.17 and product image 4.23 have similar mean scores. It indicates that customers are needs trustworthy and suitable marketplace. However, A.A market place is not that much trustable market due to stealing, changing parts of a car and alike. Most of the consumers need cars that express their way of life, product variety and they are fascinated in product image like Toyota and BMW.

4.3 Correlation Analysis

A simple bi-variate relationship analysis between the dependent and independent variables is briefly presented below.

Table 4.6: Result of correlation analysis

T LS P C PI CB

Trust (T)	Correlation Coefficient	1.000					
	Sig. (2-tailed)	.					
Life style (LS)	Correlation Coefficient	.667**	1.000				
	Sig. (2-tailed)	.000	.				
Product variety (P)	Correlation Coefficient	.727**	.860**	1.000			
	Sig. (2-tailed)	.000	.000	.			
Convenience (C)	Correlation Coefficient	.748**	.820**	.851**	1.000		
	Sig. (2-tailed)	.000	.000	.000	.		
Product Image (PI)	Correlation Coefficient	.705**	.841**	.886**	.899**	1.000	.660**
	Sig. (2-tailed)	.000	.000	.000	.000	.	.000
	Correlation Coefficient	.593**	.636**	.651**	.666**	.660**	1.000
Consumer Behavior (CB)	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	239	239	239	239	239	239

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

Survey result, 2020

Unlike the multiple regression analysis, simple correlation analysis attempts to quantify the direction of association between two variables. Thus, an assessment of the correlation matrix between all the independent variables and consumer behavior are positively related. Correlations yields Spearman's correlation coefficient, rho (numeric data only) and Spearman's rho is a measure of association between rank orders. Though the above simple correlational and mean analysis gives an important insight to the simple relationship between the dependent and independent variables, therefore, there is a positive and significant (Sig. (2-tailed) .000 with correlation is significant at the 0.01 level (2-tailed).) relationship between trust (.593), life style (.636), product variety (.651), convenience (.666), product image (.660) and consumer behavior. A consumer decision-making style is defined as a mental orientation characterizing a consumer's approach to making consumer choices. This study adapted and validated measures for five consumer decision-making characteristics and found positive relationship among them and consumer behavior. Ram and Manoj (2014) state that psychological influence such as perception and learning is considered as the first level of influences and influences includes those, which have been developed during the socialization process and include reference groups and family influences.

4.4 Binary Logistics Regression

4.4.1 Assumptions and Diagnostic Test

Test result including normality, multicollinearity, autocorrelation and test for average value of the error term are found in appendices part; next to the data collection instrument. The test results show that the normality, multicollinearity, autocorrelation and test for average value of the error term were met the assumptions of regression analysis. It includes the data was normally distributed with no multicollinearity and autocorrelation problems.

4.4.2 Regression Test Results

Table 4.7: Regression Test Results

Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	239	100.0
	Missing Cases	0	.0
Total		239	100.0
Unselected Cases	Missing Cases	0	.0
	Total	239	100.0

a. If weight is in effect, see classification table for the total number of cases.

Survey result, 2020

Block 0: Beginning Block

	Observed	Predicted		
		Consumer Behavior		Percentage Correct
		No	Yes	
Step 0	Consumer Behavior No	0	44	.0
	Consumer Behavior Yes	0	195	100.0
Overall Percentage				81.6

a. Constant is included in the model.

b. The cut value is .500

Survey result, 2020

The **Block 0** output is for a model that includes only the intercept (which SPSS calls the constant). Given the base rates of the two decision options ($44/239 = 18.4\%$ decided to no, 81.6 ($195/239$) decided to yes for their consumer behavior), and no other information, the best strategy is to predict, for every case, that the subject indicates their behavior. Using that strategy, we would be correct 81.6% of the time.

Block 1: Method = Enter

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	178.762	5	.000
	Block	178.762	5	.000
	Model	178.762	5	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	49.509 ^a	.527	.856

a. Estimation terminated at iteration number 9 because parameter estimates changed by less than .001.

Survey result, 2020

It is better to look at the **Block 1** output. Here SPSS has added the consumer behavior variable as a predictor. **Omnibus Tests of Model Coefficients** gives us a Chi-Square of 178.762 on 5 *df*, significant beyond .0001. This is a test of the null hypothesis that adding the consumer behavior variable to the model has not significantly increased our ability to accept the decisions made by the respondents. Under Model Summary it can be seen that the -2 Log Likelihood statistic is 49.509. This statistic measures how poorly the model predicts the decisions -- the smaller the statistic the better the model. The Cox & Snell R² can be interpreted like R² in a multiple regression, but cannot reach a maximum value of 1. It meant the independent variables can explain the dependent variables 52%. The Nagelkerke R² can reach a maximum of 1 and with .856 it is rated as good.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Trust	.900	.437	4.255	1	.039	2.461
	Life style	2.469	.733	11.353	1	.001	11.806

Product Variety	-2.289	.994	5.309	1	.021	.101
Convenient	1.826	.731	6.234	1	.013	6.206
Product Image	1.512	.708	4.562	1	.033	4.537
Constant	-10.094	2.022	24.916	1	.000	.000

a. Variable(s) entered on step 1: T, LS, P, C, PI.

Survey result, 2020

The Variables in the Equation output shows us that the regression equation is

$$= -10.094 + .9 \text{ Trust} + 2.4 \text{ Life Style} - 2.289 \text{ Product Variety} + 1.826 \text{ Convenient} + 1.512 \text{ Product Image}$$

The decision rule will take the following form: If the probability of the event is greater than or equal to some threshold, it can predict that the event will take place. By default, SPSS sets this threshold to .5. While that seems reasonable, in many cases we may want to set it higher or lower than .5. Using the default threshold, SPSS will classify a subject into there is a positive and significant effect of trust (0.039), life style (0.001), product variety (0.021), convenient (0.013) and product image (0.033) on consumer behavior.

4.4.3 Chi-square Test

Chi-square test provides a way of judging against a set of observed response frequencies with a set of Expected response frequencies (Ajzen, 2011). This section presents the analysis and results of this paper. Chi square -goodness of- fit is used to support or reject the null hypothesis. The decision used under the test of chi square is either to reject or to accept the null hypothesis. If the computed value of Chi-square is greater than the Chi-square table value, there is evidence to reject the null hypothesis this means the alternative hypothesis will be accepted. Therefore, the test result is indicated in the following tables. Nonetheless, using SPSS, significance level constantly determined a priori as a rule set at the 0.05 level. Then the decision will be the following: If $p < 0.05$ then reject the null hypothesis, and accept the alternate and If $p > 0.05$ then accept the null hypothesis. This study used Hypothesis that show

- H_6 : There is a difference between female and male consumers buying decisions in car market in Addis Ababa

Table 4.8 Chi-square Test Results

Gender: * Consumer Behavior Cross tabulation

Count		Consumer Behavior		Total
		No	Yes	
Gender:	Male	21	118	139
	Female	23	77	100
Total		44	195	239

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.412 ^a	1	.120	.131	.084
Continuity Correction	1.915	1	.166		
Likelihood Ratio	2.384	1	.123		
Fisher's Exact Test					
Linear-by-Linear Association	2.402	1	.121		
N of Valid Cases	239				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 18.41.

b. Computed only for a 2x2 table

Survey result, 2020

Using the decision rule, the null hypothesis is rejected and the alternative hypothesis is accepted with 5% significance as Pearson Chi-Square Asymp. Sig. (2-sided) .120. Hence, the result revealed there is no difference between female and male consumers buying decisions in car market in Addis Ababa. Nielsen (2016) stated that consumers' perceived value is the core construct and foundation in all relational exchange activities and it is crucial to identify the factors affecting consumers' perception of value. However, this study is contradicting (Malik, 2013) that shows to females and males have different need structures and decision models when shopping; they may react to the same benefits differently resulting in differences in their perceived value.

4.5 Hypothesis Testing

Consumers like trying and fitting experience in a traditional shop, and a customer design system can gather personal data of consumers such as size and facial profile, and provide enough options to consumers to specialize their own products. By providing awards to good designs and other services can further perfect customer design system.

H₁: Trust has a positive and significant effect on consumer behavior in car market in Addis Ababa.

The correlation analysis is used to see if trust has relationship with consumer behavior; and it that trust has a significant relationship show with consumer behavior ($r=0.593$; sig, 0.0000); and to make sure that it actually influence the consumer's buying behavior (Sig, 0.039), logistic regression analysis has been conducted. And the result of the regression analysis shows that trust has positive and significant impact on consumer buying behavior; therefore, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area. Malik (2013) stated that consumers try the products and build trust issue that has become one of the most common concerns over marketplaces and (Lee & Turban, 2001) assured building customer trust and the post-purchase policies are welcome to the customers, and resulted in positive trends in order frequency. Thus, this study also found that trust has a positive and significant effect on consumer behavior towards car market in A.A

H₂: Lifestyle has a positive and significant effect on consumer behavior in car market in Addis Ababa.

Similarly, the correlation analysis is applied to examine if life style has relationship with consumer behavior; and it that life style has a significant relationship show with consumer behavior ($r=0.636$; sig, 0.0000); and to make sure that it actually influence the consumer's buying behavior (Sig, 0.001), logistic regression analysis has been conducted. Then, the result of the regression analysis displays that trust has positive and significant impact on consumer buying behavior; as a result, the identified alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area. Danaher & Davis (2003) indicated marketers combine demographic, social and psychological data and study consumer decision making in order to better understand the consumers. An individual's lifestyle consists of different lifestyle dimensions; these dimensions are activities describe how consumers spend their time,

e.g. work, hobbies or vacations, and interests are consumers' preferences and priorities and opinions tell how consumers feel about different issues, e.g. themselves, politics or products (Kotler and Armstrong, 2010). Rajarajan and Priyanga, (2013) concluded that, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his life style identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his life style, identify it through the products or brands chosen. It can be supposed that the individual's consumption behavior can be predicted from an understanding of how he represents his world to himself, if the details of his life style system are well-recognized. This study found that lifestyle has a positive and significant effect on the consumer behavior towards car market in Addis Ababa.

H₃: Product variety has a positive and significant effect on consumer behavior in car market in Addis Ababa.

Similarly, the correlation analysis is applied to examine if product variety has relationship with consumer behavior; and it that product variety has a significant relationship show with consumer behavior ($r=.651$; sig. 0.0000); and to make sure that it actually influence the consumer's buying behavior (Sig. 0.021), logistic regression analysis has been conducted. At that time, the result of the regression analysis shows that trust has positive and significant impact on consumer buying behavior; as a result, the identified alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area. The recognized brands promise the quality of products themselves, and consumers feel safe to purchase products of familiar brands in familiar sizes. Distinguished brand with detailed description and lower price will attract more consumers, and consumers turn out to be more conservative and sensitive with variety products (Andersone and Gaile-Sarkane, 2009). Thus, this study found that product variety has a positive and significant effect on consumer behavior towards car market in Addis Ababa

H₄: Convenience has a positive and significant effect on consumer behavior in car market in Addis Ababa.

In the same way, the correlation analysis is used to see if trust has relationship with consumer behavior; and it that trust has a significant relationship show with consumer behavior ($r=0.666$; sig. 0.0000); and to make sure that it actually influence the consumer's buying behavior (Sig. 0.013), logistic regression analysis has been conducted. And the result of the regression analysis shows that trust has positive and significant impact on consumer buying behavior; therefore, the stated

alternative hypothesis is accepted. The finding is similar to results of previous researches conducted in the same area. Most consumers find the approachability and convenience from shopping because they can shop with comfortable feeling in their familiar environment. Malik (2013) stated that consumers' decision making may also be influenced by the role of decision support technologies and interactive decision aids. This study found that convenience has a positive and significant effect on the consumer behavior towards car market in Addis Ababa

H₅: Product Image has a positive and significant effect on consumer behavior in car market in Addis Ababa.

In the same way, the correlation analysis is used to see if trust has relationship with consumer behavior; and it that product image has a significant relationship show with consumer behavior ($r=0.660$; sig. 0.0000); and to make sure that it actually influence the consumer's buying behavior (Sig. 0.033), logistic regression analysis has been conducted. And the result of the regression analysis shows that trust has positive and significant impact on consumer buying behavior; therefore, the stated alternative hypothesis is accepted. The finding is similar to results of previous researches conducted similarly. Kardes (2011) described the self-concept as the totality of an individual's thoughts and feelings regarding him/her as an object. Malik (2013) found that favorable product or brand image has a strong positive influence on the customers' decisions making in car choices. Thus, product image has a positive and significant effect on consumer behavior towards in car market in Addis Ababa

H₆: There is a difference between female and male consumers buying decisions in car market in Addis Ababa

This study used Pearson Chi-Square and found that Asymp. Sig. (2-sided) as $.120$ which shows that the null hypothesis is rejected and the alternative hypothesis is accepted with 5% significance. This shows there is a difference between female and male consumers buying decisions in car market in Addis Ababa. Consumers' perceived value is the core construct and foundation in all relational exchange activities, and is a critical factor influencing repeat buying action in shopping contexts (Nielsen, 2016). Females and males have different need structures and decision models when shopping; they may react to the same benefits differently resulting in differences in their perceived value, which in turn can result in a different repurchase intention

(Malik, 2013). Thus, this study found that there is a difference between female and male consumers buying decisions towards car market in Addis Ababa

Table 4.9: Summary of Hypotheses Tested

Hypothesis	Sig.	Status
Trust has a positive and significant effect on consumer behavior in car market in Addis Ababa	.039	Accepted
Life Style has a positive and significant effect on consumer behavior in car market in Addis Ababa	.001	Accepted
Product Variety has a positive and significant effect on consumer behavior in car market in Addis Ababa	.021	Accepted
Convenience has a positive and significant effect on consumer behavior in car market in Addis Ababa	.013	Accepted
Product Image has a positive and significant effect on consumer behavior in car market in Addis Ababa	.033	Accepted
There is a difference between female and male consumers buying decisions in car market in Addis Ababa	.000	Rejected

Survey result, 2020

CHAPTER FIVE SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This is the last part of the study. It presents the summary of findings, conclusions and recommendations.

5.1 Summary of Findings

Consumers make their buying decision to create cost and time savings benefits at the expense of various risks. The general objective of this study is to investigate the factors that influencing consumers buying decisions in car market in Addis Ababa. Using descriptive and explanatory research methods, this study found that most of the consumers collect appropriate information more than two times before they buy a car (collect pre-purchase information), they contact/visit the dealers repeatedly to buy a car, there is individual color preference among them, they are price sensitive, prefer to buy new cars but due to financial constraints they need second hand cars. In addition, consumers buying behavior inclined highly to convenience (4.29) and then lifestyle (4.14), product variety (4.17) and product image (4.23). They behave mistrust (3.43) Addis Ababa car market indicating that customers are needs trustworthy and suitable marketplace. However, A.A market place is not that much trustable market due to stealing, changing parts of a car and alike. Most of the consumers need cars that express their way of life, product variety and they are fascinated in product image like Toyota and BMW. Empirical test shows that there is a positive and significant (Sig. (2-tailed) .000 with correlation is significant at the 0.01 level (2-tailed).) relationship between trust (.593) and consumer behavior using correlation analysis; it (0.039) has a positive and significant effect on consumer behavior via logit model. Similarly, life style (.636) has a positive relationship and significant effect (0.001); product variety has a relationship (.651) and effect (0.021); convenience has a positive relationship (.666) and significant effect (.013); product image has a positive relationship and significant effect (.660) (0.033) with consumer behavior using correlation and logits analysis respectively. Using the decision rule chi-square, the null hypothesis is rejected and the alternative hypothesis is accepted with 5% significance. Hence, the result revealed there is no difference between female and male consumers buying decisions in car market in Addis Ababa. The study that shows to females and males have the same need structures and decision models when shopping cars in A.A

5.2 Conclusion

The empirical findings of this study revealed that that a positive experience with trust, product image and variety, convenience and life study will influence their buying decision in the car marketplace and will also have them as a consumer behavior. Customers prefer to purchase a

well-known brand product, need to choose among various brands, demanded suitable market place and trust is what they need most. Product image have found good place in customers' mind and they have positive past experience about them like Toyota. They spend more time and more efforts to buy cars. But they can attain this aim if they gain a lot from it. It will make the customers to have trust the brand name more and result of that customer become a more loyal to that brand. When customers have an emotional association with the product image, he or she will have more confidence on the brand and it is more possible that customers will become faithful. Thus, it can be concluded that consumers, as buyers or users of products or services, are the central point of the entire marketing processes that everyone experiences in his or her day-to-day activities. A long side, the market is in continuous undertakings, in which vendors are actively engage in selling their products or services to consumers using several marketing strategies to enhance consumers' behavior of purchasing. Consumer behavior as activities of people engaged in actual or potential use of market items whether products, service information or ideas. Consumer behavior is based on the act of individuals who make decision to spend their available resource (money, time& effort) on consumption of related item. Thus, there is a positive and significant effect of trust, life style, product variety, convenient and product image on consumer behavior.

5.3. Recommendations

Since trust, life style, product variety, convenient and product image are factors affecting consumer behavior, the following suggestions are given:

- As trust has positive influence on consumers' buying behavior, Ethiopian car market should be restructure based on stakeholder value and marketers build trust which can lead to increase consensus for the strengthen of the business and ensure to be engage in the process.
- Government may interfere and restructure the existing car market that must be re-shaped again to maintain consumers' rights and consumerism protection to get trustable car market in the city. So as that stealing, theft and part modification and draining appropriate car parts will be minimized.
- Buyers should find and utilize recent market data and information because recently published information is most reliable, authentic and trustable. They should understand product branding that get updated continuously.

- Marketers may attempt to find the motives for buying, and build their products and marketing mixes around these motives. This is because consumers do not buy products; they buy motive satisfaction or problem solutions. A person does not buy a car but he buys comfort, well-being and vacation industry and at the same time a person does not buy car but he buys hope for looking good and valued and grateful.
- Marketers may predict future purchases, redesign marketing effort and make attitude more promising. This is because external influence like family or neighbors combined with learning produces beliefs that will influence consumers' buying behavior. Different kind of people has different outlooks regarding religion, politics, food, music and many more. The attitude describes consumers' feelings or evaluations toward an object or idea. Those are attached deep in consumers' mind and can be part of a person's personality.

5.4 Future Studies

It is suggested for future researcher to include the range of context to different areas. Variables like culture, social factors, brand, price, origin of the product, promotion, marketplace and roles of government can be additional areas that could be researched. In addition, regional market places should be investigated. Further, the effect of contraband market and its associated market consequences on consumer buying behaviors should be reviewed accordingly.

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Annex

Annex 1 - Questionnaire



**SCHOOL OF GRADUATE STUDIES
SAINT MARY UNIVERSITY
Department of Marketing Management**

Customer Survey
(To be filled by Customers)

Dear valued participant,

I invite you to participate in a research study entitled: “**Factors Affecting Consumer-Buying Decision: The Case of Car Market in A.A**”. I am currently enrolled in marketing postgraduate program at Saint Mary University and am in the process of writing my Master’s Thesis. The purpose of the research is to emphasize the role of consumer-buying decision in car market in A.A.

Your participation in this research project is completely voluntary. You may decline altogether, or leave blank any questions you don’t wish to answer. Your responses will remain confidential and anonymous. There are no known risks to participation beyond those encountered in everyday life. Data from this research will be kept secretly and key and reported only as a collective combined total. No one other than the researchers will know your individual answers to this questionnaire.

Thank you for your assistance in this important endeavor.

Sincerely yours,

HaroniTadesse

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Part I - Personal Information

Instruction: Please select an appropriate response category by encircling the number of your choice.

- Age
18-30 31-45 46-60 Above 60
- Sex
Male Female
- Marital Status
Never married Married Divorced Widow(er)
Separated Refused
- Monthly Income
Below 5000 5001 – 10000 10001 – 15000 Above 15001
- How long did you collect pre-purchase information?
Less than 2 weeks 2 weeks-1 month 1 month-3 month 3 month-6 month
More than 6 month
- How many times did you contacted/visited the dealers?
Under 2 times 3 to 5 times 6 to 8 times More than 8 times
- What type of color do you choose when you buy a car?
Red White Gray Black

Do you prefer to buy a new car or second hand car?

- Second hand New

If any please describe _____

- What is your first priority when it comes to looking for a car?
Price Fuel Efficiency Look and style Power

If any please describe _____

Part II- Questions related with the Study

Please express your degree of agreement with respect to the following statements by putting \surd mark in the box. 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and finally 5 for strongly agree.

Variable –	Coding	Measurements – sub variables	1	2	3	4	5
Trust	TR1	I trust car market platforms in A.A					
	TR2	I feel confident on A.A car marketers					
	TR3	I rely on A.A car market					
Life Style	LS1	I enjoy buying cars in A.A					
	LS2	I give priority to my family when I buy car					
	LS3	I believe that having a car simplifies my lifestyle					
	LS4	My lifestyle affects my purchase decision of car in A.A					
	LS5	I believe that having a car is an indicator of modernization					
Product variety	PV1	I find variety of cars at the same time in A.A car market					
	PV2	I find assortment of products in A.A car market					
	PV3	I can get a collection of products on car market in A.A					
Convenience	CON1	I find suitable mechanism to buy from A.A car market					
	CON2	I like A.A car market as it is cars can quickly find					
	CON2	I can buy car from anywhere using A.A car market					
	CON4	Simple and attractive to buy on A.A car market					
Product Image	PI1	Product image comes to my mind at first whenever					

		automobile mentioned.					
	PI2	Outstanding Product image gives me a good impression					
	PI3	While buying automobile product image is important to me.					
	PI4	I am willing to purchase automobile from well-known automobile company					

Please express your degree of agreement with respect to the following statements by putting \checkmark mark in the box as 1 Yes and 0 for No.

	Coding		1 Yes	0 No
Consumer Behavior	CB1	I am willing to buy		
	CB2	I spend more time before I purchase a car		
	CB3	I need to buy cars outside Ethiopia		
	CB4	I am influenced by others like sales person when I buy car		
	CB5	Car purchase is congruent with my needs		

Please express your degree of agreement with respect to the following statements by putting \checkmark mark in the box.

Thank you for your cooperation!

Annex 2 - Interview Check List

**SCHOOL OF GRADUATE STUDIES
SAINT MARY UNIVERSITY**

I invite you to participate in a research study entitled: “Factors Affecting Consumer-Buying Decision: The Case of Car Market in A.A”. I am currently enrolled in marketing postgraduate program at Saint Mary University and am in the process of writing my Master’s Thesis. Can I continue my questions? Thank you.

1. How dose car market practices in Ethiopia?

2. Do you factors affecting Ethiopian consumer-buying decision?

3. Is that simple and attractive to buy cars in Ethiopia? Please indicate changes on busying cars in A.A market.

Annex 3 - Assumptions and Diagnostic Test

1) Test for Normality Test

Annex Table 3.1 Normality Test

Dimensions	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Loyalty/Trust	-.799	.517	-.499	.314
Lifestyle	-.673	.517	-.860	.314
Product variety	-.851	.517	-.381	.314
Convenience	-.926	.517	-.133	.314
Product Image	-.814	.517	-.501	.314

Survey result, 2020

The above table shows the descriptive statistic of Kurtosis and Skewness statics calculation demonstrates that the distribution is normal because Kurtosis and Skewness are in between -2 and +2, thus data is normally distributed and had a reasonable variance to use subsequent analysis (Kraeger, 2011).

2) Test for average value of the error term is zero ($E(u) = 0$); the first assumption required is that the average value of the errors is zero. In fact, if a constant term is included in the regression equation, this assumption will never be violated. Therefore, since the constant term (i.e. α) was included in the regression equation, the average value of the error term in this study is expected to be zero.

3) Test for multicollinearity

Multicollinearity refers to a situation in which there is exact (or nearly exact) linear relation among two or more of the input variables (Uma, 2003). The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of dependence among the regressors on the variance of that term. One or more large VIF indicate multicollinearity. Practical experience indicates that if any of the VIF results exceeds 5 or 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity (Kraeger, 2011).

Annex Table 3.2 Multicollinearity

	Collinearity Statistics	
	Tolerance	VIF
Trust	.300	3.333
Lifestyle	.204	4.907
Product variety	.196	9.456
Convenience	.122	8.212
Product Image	.103	9.700

Survey result, 2020

The above table shows Collinearity Statistics shows that the VIF value of for factors were less 10 and no collinearity was observed on this data. The table also presents the result of regression analysis; the result regression analysis is based on dependent variable. The independent variables that contribute to variance of the dependent variable are explained by standardized Beta coefficient.

4) Test for Autocorrelation

Assumption that is made of the multiple liner regressions disturbance terms is that the covariance between the error terms over time (or cross-section ally, for that type of data) is zero.

Annex Table 3.3 Autocorrelation Test: Durbin Watson

Model Summary	
Model	Durbin-Watson
	1.390

Survey result, 2020

To test the presence of autocorrelation, the popular Durbin-Watson Test was employed in this study in other words; it is assumed that the errors are uncorrelated with one another if the test was less than 2 (the study found 1.390) r. If the errors are not uncorrelated with one another, it would be stated that they are “auto correlated” or that they are “serially correlated”. A test of this assumption is therefore required.