



MASTER OF BUSINESS ADMINISTRATION DISSERTATION

**Analyzing factors that influence consumer decision making when purchasing a motor vehicle: a case of CFAO Motors Zambia Limited customers**

A dissertation submitted to ZCAS University for the partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA)

Student Number: 202202974

Student Name: Arthur Bwalya

Supervisor: Dr. Burton Mweemba

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## DECLARATION

I, Arthur Bwalya, hereby declare that this submission is my own research towards the Master of Business Administration and that to the best of my knowledge, it does not include any material previously published by another person or material approved for the award of any other master's degree of the university, except where due recognition has been granted in the paper.

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**ARTHUR BWALYA**  
**(202202974)**

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**DATE**

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**DR. BURTON MWEEMBA**

.....

**DATE**

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To my family, I say 'thank you' for your support and understanding. To my wife, thank you for all your suggestions and thoughts – your input is greatly appreciated.

## **DEDICATION**

I dedicate this dissertation to my mother – Mrs. Esther Soko Bwalya and my father – Mr. Augustine Bwalya. You have always believed in me.

Special dedication goes to my wife Nancy Nambela Bwalya and my son Zacharia Lubuto Bwalya. You guys have always been the reason I strive to aim for greater heights.

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## ACRONYMS

BMW	- Bavarian Motor Works.
CFAO	- CFAO Motors Zambia Limited.
RTSA	- Road Transport and Safety Agency.
U.S.A	- United States of America.
ZAM	- Zambia Association of Manufacturers.

## ABSTRACT

This research investigates the multifaceted factors shaping consumer decision-making in the purchase of motor vehicles, focusing on CFAO Motors Zambia Limited (CFAO) and its four brands—Toyota, Ford, Suzuki, and VW. The study aims to discern the primary influencers and their hierarchical significance in customers' choices, offering actionable insights for CFAO and the broader automotive industry. Therefore, the primary objective is to unravel the intricacies of consumer decision-making within the automotive sector, specifically examining how factors such as brand loyalty, pricing, infrastructure availability, environmental concerns, and social parameters interplay in influencing purchasing decisions among customers.

Key findings reveal that brand loyalty and price considerations emerge as pivotal factors, forming the linchpin of consumers' choices. Infrastructure availability, environmental concerns, and social parameters also influence decisions, with a direct linear relationship identified between brand loyalty and the decision to buy.

Major limitations include the study's focus on CFAO and its brands, potentially limiting generalizability. Additionally, the evolving nature of consumer preferences in light of a push towards electric vehicles (EVs) may render findings subject to temporal relevance.

Practical recommendations include investing in brand strengthening activities for the poorly performing brands, targeted marketing, and infrastructure development to expand the maintenance and service centre network, to reduce sales disparities among the brands. The study further suggests the adoption of a customer-centric approach, embracing sustainability, and leveraging brand loyalty metrics for continuous improvement.

This study contributes nuanced insights into the factors influencing consumer decisions in the automotive industry. By uncovering the pivotal role of brand loyalty and price considerations, the findings provide actionable recommendations and offers broader implications for enhancing industry competitiveness and consumer satisfaction.

**Keywords:** *Automotive Industry, Brand Loyalty, Consumer, Decision Making, Customer Centric Approach, Environmental Awareness, Infrastructure Availability, Pricing Strategies, Social Parameters.*

## CHAPTER ONE: INTRODUCTION

### 1.1. Introduction

According to the Road Transport and Safety Agency (RTSA) Annual Report of 2021, a sum of 45,277 motor vehicles were registered, bringing the total cumulative population of vehicles in Zambia to 899,186. Compared to the previous year, this represents a 45.9% increase in the vehicles registered in 2020. This implies that there is an increase in the number of Zambians buying motor vehicles year on year.

In the United States, Handy et al. (2005), conducted a study that underscored the evolving societal perception of vehicles, positioning them as an essential rather than a luxury item. When vehicle owners were queried on the necessity versus luxury aspect, a substantial 89% asserted that a motor vehicle is a necessity, with only 11% considering it a luxury. This sentiment, emphasizing the essential role of a motor vehicle, aligns with the contemporary societal context. The same can be said for Zambia – Zambians are driving more than ever, to workplaces, shopping centers, visiting friends and family, for their business engagements and to many other places. The fast pace of modern life has transformed the motor vehicle into a perceived necessity for individuals in Zambia, reflecting the increasing indispensability of cars.

While car ownership has transitioned into a necessity, prospective vehicle buyers encounter the difficult task of decision-making when navigating the vehicle purchase process. These decisions encompass choosing a vehicle brand, determining the method and source of acquisition, and aligning these choices with the intended purpose of the vehicle. The complexity of these decisions arises from the multitude of brands available in the market. Notably, the Zambian automotive industry hosts various globally recognized brands, including but not limited to Toyota, Ford, Nissan, Volkswagen, Suzuki, Tata, Renault, Isuzu, Kia, Mitsubishi, Land Rover, Range Rover, BMW, Benz, and Honda (ZAM Annual Report, 2021). Furthermore, it is noteworthy that even brands without physical representation in Zambia can be acquired globally through e-commerce platforms.

For organizations like CFAO, operating in the dynamic landscape of the Zambian automotive industry, understanding consumer behavior is paramount because grasping the intricacies of consumer behavior is crucial for companies striving for market dominance. Therefore, this study embarks on a comprehensive exploration into the factors influencing consumer decision-making when purchasing vehicles, with a specific aim of unravelling the complexities of consumer choices, emphasizing primary considerations, prioritization, and the impact of brand loyalty.

## **1.2. Background of the study**

As Zambians purchase motor vehicles, they exhibit the same consumer behavior as other consumers worldwide. Research on consumer behavior has long been a subject of interest for scholars, marketers, and businesses alike. Understanding the factors that drive individuals' choices when making significant purchases is not only academically fascinating but also critical for informed business strategies (Nasse et.al, 2019).

In the last four years, CFAO has experienced a remarkable sales trend where the Toyota brand consistently outperforms its counter brands; Ford, Suzuki, and Volkswagen (CFAO Motors Zambia Limited Sales Report, 2021). This phenomenon raises important questions about the determinants of consumer preferences within CFAO, as well as the automotive sector. While CFAO diligently markets all the four brands in its product portfolio (Toyota, Ford, Suzuki, and Volkswagen) equally, there appears to be a distinct attraction towards Toyota brand. Therefore, the purpose of this study is to uncover the underlying reasons for this preference asymmetry, contributing valuable insights to both the academic discourse on consumer behavior and the strategic decision-making processes of CFAO.

Consumer decision-making in the motor vehicle sector is not solely driven by objective factors such as price, brand features and product quality and performance (Amron, 2018), a myriad of psychological, social, and emotional factors also come into play. This research intends to explore these objective, psychological, social, and emotional factors within the specific context of motor vehicle purchases, investigating how consumers perceive and prioritize various elements in their decision making.

## **1.3. Statement of the Problem**

CFAO is one of the many players in the Zambian motor industry. The organization's core business is the distribution of motor vehicles, supply of spare parts for the vehicles it distributes, and provision of after-sales service (CFAO Motors Zambia Limited Financial Statements, 2021). CFAO supplies and distributes four vehicle brands: Toyota, Ford, Volkswagen, and Suzuki.

According to CFAO Motors Zambia Limited Financial Statements (2021), the company sold 1,538 vehicle units in 2021. A detailed breakdown of the units sold into individual vehicle brands, stands as Toyota – 80%, Ford – 16%, Volkswagen – 2% and Suzuki – 2%. The company's sales report over the last four years consistently show the same trend as observed in 2021.

**Table 1.1: CFAO Motors Zambia Vehicle sales: 2018 – 2021.**

Brand Name	Breakdown of vehicle units sold ( and percentage )							
	2021		2020		2019		2018	
	Units	%	Units	%	Units	%	Units	%
Toyota	1,226	80%	992	77%	1,013	80%	880	81%
Ford	246	16%	196	15%	191	15%	169	16%
VW	33	2%	50	4%	29	2%	7	1%
Suzuki	33	2%	47	4%	27	2%	26	2%
	1,538	100%	1285	100%	1,260	100%	1,082	100%

*Source: CFAO Motors Zambia Sales Report.*

CFAO has a marketing department that aggressively markets and promotes all the four brands of the company. Despite the organization's marketing department allocating equal resources and efforts in marketing the company's vehicle brands, Toyota has emerged as the dominant brand, commanding a staggering 80% of the company's total vehicle sales. In contrast, the remaining brands—Ford, Volkswagen, and Suzuki—account for a mere 20% of the sales share.

With the sales report depicting an inclination towards the Toyota brand by CFAO's customers in the period under review, the study seeks to explore the factors that influence consumer's decision making when purchasing a motor vehicle.

#### **1.4. Justification of the Study**

This research study is underpinned by the compelling need to uncover the driving force behind the significant sales performance disparity among the four brands—Toyota, Ford, Volkswagen, and Suzuki—within CFAO's vehicle distribution portfolio. With Toyota commanding an overwhelming 80% of the sales revenue, while the other three brands struggle to compete, the motivation to delve into the factors shaping consumer decision-making become extremely paramount. By rigorously examining the influences that guide consumers when purchasing motor vehicles, the study seeks to provide a comprehensive understanding of the unique aspects contributing to Toyota brand's remarkable success. The justification for this research stems from its potential to offer invaluable insights that can inform strategic decisions for both CFAO and the wider automotive industry.

Despite CFAO's equitable allocation of marketing resources across all brands, the persisting discrepancy underscores the necessity to uncover the underlying determinants of consumer preferences. Through the lenses of the research questions, this study aims to unravel not only the primary factors that shape consumer choices but also the prioritization of these factors and

the impact of brand loyalty on decision-making processes. By extending the inquiry to explore the attributes distinguishing a consumer's preferred brand from others, the study aims to present a holistic picture of the dynamics that set Toyota apart. This research, thus, is justified by its potential to provide actionable insights that could optimize marketing strategies, refine product offerings, and enhance brand positioning, ultimately contributing to CFAO's competitive advantage and fostering a deeper understanding of consumer behavior within the motor vehicle industry.

## **1.5. Research Characteristics**

### **1.5.1 Aim of the Study**

The aim of the study was to identify and comprehensively analyze the factors that significantly influence the decision-making of consumers when purchasing a motor vehicle. The study aimed to establish which of these factors rank high among the customer considerations.

### **1.5.2 Objectives of the Study**

#### **1.5.2.1. The Main Objective**

The main objective of the study was to gain a deep understanding of the factors driving consumer behavior in the motor vehicle market, thereby elucidating the reasons for customers opting for a particular vehicle brand.

#### **1.5.2.2. Specific Objectives**

The specific objectives of this study are:

- a) To identify key factors that influence consumer decision-making when purchasing a motor vehicle.
- b) To establish which factors customers, prioritize in their motor vehicle purchasing decisions.
- c) To examine the impact of brand loyalty on the consumer's decision to purchase a motor vehicle.
- d) To identify the attributes that differentiate a consumer's preferred brand from other brands.

### **1.5.3 Research Questions**

- a) What are the primary factors that consumers consider when purchasing a motor vehicle?
- b) How do customers prioritize factor considerations in their motor vehicle purchasing decisions?
- c) What impact does brand loyalty have on the consumer's decision to purchase a motor vehicle?
- d) What attributes does a consumer's preferred brand have, which differentiate it from other brands?

### **1.6. Scope of the Study and its potential limitations**

The study focused on analyzing consumer behavior of the customers of CFAO, particularly those who purchased motor vehicles from Lusaka outlets. The limitation of the study was that customers from branches outside Lusaka, such as Livingstone, Solwezi and Kitwe, were outside the scope due to a shortage of resources (time and finances). Neither did the study consider customers who purchased motor vehicles from competitors of CFAO. In addition, this research studied customers who have purchased a motor vehicle from CFAO between the period January 2018 to December 2021.

### **1.7. Significance of the Study**

This study will hold significant implications for both CFAO and the broader automotive industry. With Toyota sales accounting for a substantial 80% of turnover, while the other brands lag, understanding the factors driving this performance discrepancy becomes more crucial. By meticulously analyzing the factors influencing consumer decision-making, the study aimed to uncover the intricate dynamics that contribute to Toyota's outperformance.

This research is poised to provide invaluable insights that could guide CFAO's strategic decisions. In essence, the study's significance lay in its potential to reshape CFAO's approach and unlock opportunities for brand growth. Beyond the immediate business context, this research could contribute to the academic discourse on consumer behavior, offering a nuanced perspective on the automotive industry.

### **1.8. Outline of the Dissertation**

This research study was marshaled in this order:

The first chapter gave the introduction of the study, followed by the second chapter which discussed the literature review. It is in this chapter that the literature was also critically reviewed, and gaps identified. The third chapter outlined the research methodology, which was followed by chapter four presenting the data collected and discussing the results. The study ends with chapter five giving recommendations based on the findings in chapter four, as well as a conclusion for the study.

### **1.9. Summary of Chapter One**

This chapter generally outlined the framework of the study. It identified the research problem, from which research questions were developed to meet the specific research objectives. The chapter further provided the scope and significance of the research.

The stage is now set for a comprehensive exploration into the heart of consumer behavior. The subsequent chapter, standing as a beacon guiding this journey, will focus on furnishing an in-depth understanding of the identified problem area, clearly pinpointing the theoretical and conceptual frameworks through an academic literature review.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

In this section of the study, the researcher provides a critical review of the existing literature on consumer behavior and the factors influencing this behavior. The researcher critically reviewed literature from several countries across the globe.

Furthermore, the researcher discusses suitable and applicable theoretical and conceptual frameworks. The conceptual and theoretical framework spells out a research's course and solidly creates theoretical conceptions as its foundation. The two frameworks' fundamental objectives are to increase the generalizability and acceptance of research findings to the field's theoretical foundations (Adom et al, 2018).

The discussion focuses on identifying appropriate theories that provide justification for the factors which influence consumers' decisions regarding motor vehicles purchases. Several theories emerged in the discussion, all of which are centered around consumer behavior, consumer buying patterns and factors influencing consumers' decision making.

### **2.2. Consumer Behavior**

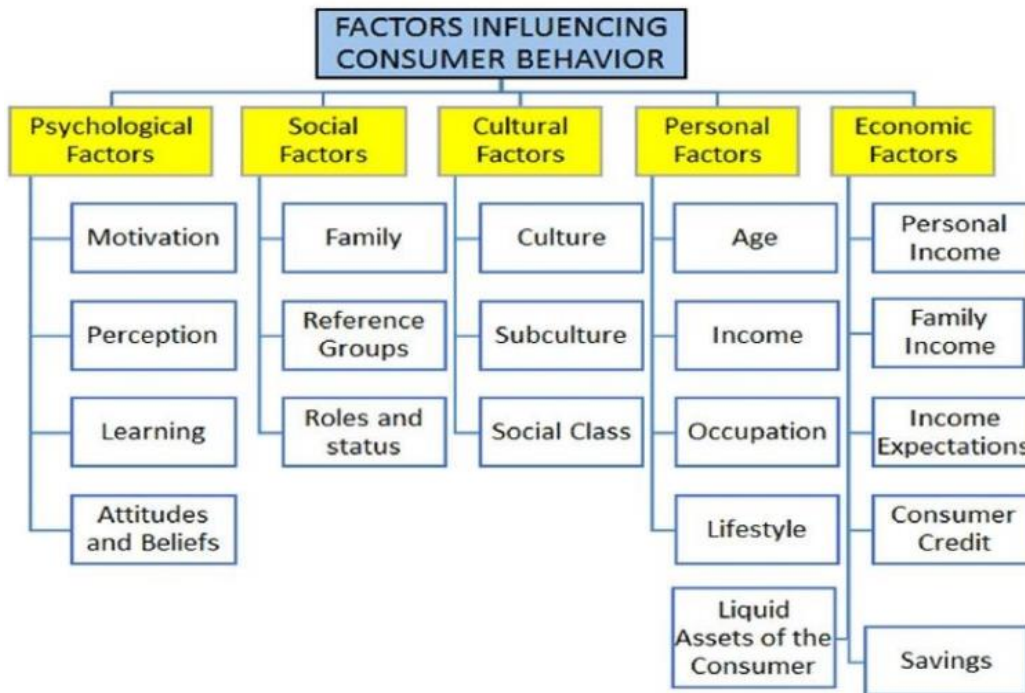
Several scholars have presented numerous definitions of consumer behavior. According to Dholakia (2021), consumer behavior in India refers to the study of how individuals or groups of people make decisions regarding the purchase, usage, and disposal of products, services, or ideas. From a European perspective, consumer behavior is defined by Solomon (2021) as the study of individuals' actions and decision-making processes when acquiring, using, or disposing of products, services, ideas, or experiences. Nassè (2021) conducted a study on consumers in Ghana and concluded that consumer behavior is a decision-making mode, investigation mode, and evaluation mode of products and some services before purchasing or repurchasing, depending on specific choices, consumption, quality, taste, advertising, or pricing criteria and expectations.

From these three definitions, it is evident that consumer behavior encompasses a broad spectrum of activities, ranging from the initial recognition of a need or want, information search, evaluation of alternatives, purchase, and post-purchase evaluation.

#### **2.2.1. Factors affecting Consumer Behavior**

Nassè (2021) and Solomon (2021) observed that consumer behavior is influenced by factors which interact and shape consumer choices, making it a complex and dynamic field of study. These are broken down into internal (Psychological and Personal) and external (Cultural, Social, and Economic) factors.

**Figure 1: Determinants of Consumer Behavior**



Source: Naveen (2022).

**2.2.1.1. Psychological Factors**

Psychological factors heavily influence and shape individuals' thoughts, feelings, and perceptions regarding products and services (Solomon, 2021). For businesses, understanding these psychological factors is essential to effectively market their offerings and sway consumers. According to Naveen (2022) and Qazzafi (2020), psychological factors include:

*Motivation:* Human motivation encompasses various needs and wants, including social, security, esteem, and self-actualization. Foundational and security needs take precedence and strongly impact purchasing decisions, influencing consumer desires for goods and services.

*Perception:* Consumer perception involves gathering information about a product and forming beliefs about it. This process relies on various sources like commercial adverts, social media comments, and customer reviews. These perceptions strongly influence consumer purchasing decisions.

*Learning:* A person learns more information about a product when they buy it. Over time, through experience, individuals learn new things. Learning is dependent on a consumer's knowledge and skills. While practice can help with skill development, experience is the only way to learn new

things.

*Attitudes and Beliefs:* Purchasing decisions are influenced by the beliefs and attitudes consumers possess. Consumers behave in a certain fashion towards goods or services based on their frame of mind. The brand image of a product is significantly influenced by this way of thinking. Consequently, marketers work hard to comprehend consumer attitudes while designing their marketing strategies.

#### ***2.2.1.2. Personal Factors***

Dholakia (2021) stated that consumers' personal factors have an impact on what they buy. The individual differences in these personal aspects lead to variations in customer perceptions and behavior. Qazzafi (2020), Schiffman and Wisenblit (2015) and Naveen (2022), noted that personal factors include:

*Age:* Age plays a pivotal role in shaping purchasing behavior. Different age groups, such as teenagers, middle-aged individuals, and the elderly, prioritize distinct purchases. Teens may lean towards colorful clothing and cosmetics, while middle-aged consumers focus on vehicles, homes, and family belongings.

*Income:* Income significantly impacts consumer purchasing behavior. Higher income affords more buying power and the ability to purchase luxury items, while lower-income consumers tend to allocate most of their earnings towards necessities like housing, food, and clothing.

*Lifestyle:* Lifestyle shapes a person's attitudes and interactions, affecting consumer behavior. For instance, individuals with a healthy lifestyle may opt for nutritious meals over fast foods, showcasing the impact of lifestyle choices on purchasing decisions.

*Occupation:* Occupation plays a significant role in consumer purchases. Individuals typically buy items aligned with their profession; for example, a doctor might choose a work-related vehicle, while a sports athlete might opt for a sports car.

#### ***2.2.1.3. Social Factors***

Social factors wield a substantial influence over consumer behavior, according to Smith (2020).

Human beings are inherently social creatures, continually surrounded by others who shape their purchasing choices and vice versa. In their quest to conform and belong, individuals tend to mimic and be influenced by those in their social circles (Qazzafi, 2020). Key elements include the family, whose sway impacts values, preferences, and brand loyalty, and reference groups, such as friends, colleagues, and social networks, who contribute through opinions, recommendations, and peer pressure (Schiffman et al., 2020). Social roles and status also play a role in product selection, as individuals choose items that align with their desired social status. Furthermore, social media and online communities have risen as influential platforms, further impacting consumer decisions (Smith, 2020).

#### ***2.2.1.4. Cultural Factors***

Cultural factors have a profound impact on consumer behavior, emphasized Naveen (2022). Culture, encompassing shared beliefs, values, customs, and rituals within a community, significantly influence consumers' perceptions and preferences. Subcultures, like ethnic or religious groups, introduce additional layers of influence due to their distinct consumption patterns and traditions (Ali and Ramya, 2016). Cultural norms dictate acceptable behaviors, which in turn affect product choices, communication styles, and social interactions, elucidated Solomon et al. (2020). In essence, culture, subculture, and cultural norms collectively shape consumers' decision-making processes.

#### ***2.2.1.5. Economic Factors***

The purchasing habits and decisions of consumers are significantly influenced by the economic state of a country or market. A prosperous nation is one with a healthy economy, which increases the amount of money on the market and increases consumer spending power. Customers are more inclined to spend more money on goods when they believe the economy is doing well (Kotler and Armstrong, 2017). The facets under economic factors are:

*Personal Income:* The level of disposable income directly affects an individual's purchasing power, noted Ali and Ramya (2016). Disposable income, referring to funds remaining after essential expenses, correlates with higher spending on various items (Qazzafi,2020). Conversely, reduced disposable income leads to decreased spending on other goods.

*Family Income:* Family income, a sum of all family members' earnings, increases with more wage earners in a household (Qazzafi, 2020). This accords additional spending on both essentials and

luxuries. Larger families tend to allocate more for non-essential, luxury items due to their combined financial resources.

*Liquid Assets:* Consumers with readily convertible assets like bank deposits and securities are more inclined to spend on luxuries, as their liquid funds boost their confidence in purchasing high-end goods (Ali and Ramya, 2016)

*Income Expectations:* According to Qazzafi (2020), anticipated income fluctuations significantly influence consumer spending, with expectations of increased income leading to higher spending on luxury and durable items, while an expected decrease prompts more frugal, necessity-based purchases.

### **2.2.2. Importance of understanding Consumer Behavior**

Kotler and Armstrong (2017) emphasize that understanding consumer purchasing behavior is vital for businesses to gain a competitive advantage. By leveraging insights into consumer choices, companies can tailor strategies to meet the specific needs and desires of their target audience, effectively positioning their products and services to outperform competitors.

### **2.3. General factors influencing Consumer Behavior in motor vehicle purchases**

While consumers globally undergo similar decision-making processes, their behavior differs due to diverse cultural, economic, social, and psychological factors (Smith, 2020).

When it comes to products like motor vehicles, consumers experience the same general factors influencing their choices as with other goods and services.

#### **2.3.1. Factors influencing consumer behavior when buying motor vehicles in India**

According to the Seconded European Standardization Expert in India (SESEI) (2020), the top-selling vehicles in India are Maruti Suzuki, Hyundai, Mahindra, Tata, and Kia.

Notably, Indian consumers show a preference for locally produced goods over imports, driven by brand recognition, pricing, and product quality (Mweemba, Mweshi, and Bbenkele, 2022). Verma and Jain (2018) concur and observe that this preference is due to cost savings achieved from reduced import duties and taxes, possibly explaining the popularity of Mahindra and Tata – India’s indigenous motor vehicles. This also confirms that vehicle price is a significant factor in

Indian consumer decisions (Sharma,2017).

Other key factors influencing consumer decisions include vehicle brand and reputation (Agarwal and Teixeira, 2019), government regulations, and environmental concerns (Biswas and Roy, 2020).

Purchasing decisions in India are also significantly influenced by recommendations from family, friends, and online reviews, as well as considerations related to social status, stated Kumar and Gupta (2021).

Biswas and Roy (2020) observed that more recently, Indian consumers prefer smaller vehicles, particularly in urban areas, due to rising fuel prices and challenging traffic conditions, which make smaller, fuel-efficient vehicles more practical for congested roads and limited parking space. This preference aligns with the environmentalist view.

### **2.3.2. Factors influencing consumer behavior when buying motor vehicles in USA**

In the United States (U.S), the best-selling vehicles are Ford, Chevrolet, Toyota, Honda, and Nissan, reported Cox Automotive (2021).

Delwar (2009) investigated American preferences for domestic and foreign vehicle brands, affirming that U.S. consumers lean towards locally produced vehicles, explaining the popularity of indigenous brands like Ford and Chevrolet.

Environmental considerations significantly influence American vehicle purchasing decisions, with many consumers shifting towards electric or hybrid vehicles for their eco-friendliness, or opting for fuel-efficient models (Graham-Rowe, 2012). Additionally, established brands with reputation for quality, reliability, and longevity hold sway in consumer choices observed Garikapati et al. (2013).

Cost-consciousness is a prevalent factor in American car buying, with Heffner and Hilderbrand (2019) asserting that consumers prioritize vehicles that fit their budgets, placing a strong emphasis on pricing and ongoing maintenance expenses. Consumer reviews, recommendations, and ratings also play a significant role in influencing American car-buying choices, noted Solomon et al. (2020).

In recent years, Griswold (2021) identified a growing preference for larger vehicles like pickup trucks, offering more space, versatility, and a higher driving position. However, this trend conflicts with the environmentally conscious consumer's preference for smaller, fuel-efficient vehicles that navigate traffic congestion more easily and occupy less space.

### **2.3.3. Factors influencing consumer behavior when buying motor vehicles in Europe**

The Global Car Market Report (2021) listed Europe's top-selling brands as Volkswagen, Renault, Peugeot, Ford, and Opel (Vauxhall).

Europeans' car-buying decisions are influenced by various factors. Foremost, Stavrakas and Glyptou (2020) found that rising fuel prices and environmental concerns are pivotal considerations. Many European consumers prioritize fuel efficiency and low emissions due to the European Union's stringent regulations (European Commission, 2021) pushing for eco-friendly choices like electric vehicles.

Secondly, price and maintenance costs are essential, with consumers seeking value for money (Kovacevic and Cudanov, 2019). Vehicle brand, model reputation, and safety rank third, as Europeans are willing to invest in reliable models (Braun, Krivokapic, and Skoko, 2013). Further, Marques and Montezemolo (2019) noted that peer and family recommendations play a significant role in the decision-making process.

Additionally, technology, infotainment, and vehicle design hold substantial importance, reflecting the demand for modern features and appealing aesthetics (Komninos et al., 2017), while government incentives and regulations are of lesser concern for European consumers (Sierzchula et al., 2014).

The Global Electric Vehicle Outlook (2021) highlights a shift towards smaller, more affordable, and fuel-efficient vehicles in Europe. This change is driven by environmental awareness, urbanization, and past economic experiences, aligning with climate concerns and the need for practical, cost-effective mobility solutions.

### **2.3.4. Factors influencing consumer behavior when buying motor vehicles in Nigeria**

According to Business Today (2020), Nigeria's top-selling vehicle brands include Toyota, Honda, Nissan, Ford, and Kia - all of which have local assembly plants in-country.

Ezenwoke and Amodu (2017) observed that Nigerian consumers highly prioritize durability and reliability, given the challenging road conditions, and prefer vehicles that can withstand rough terrains. Local assembly plants address this concern effectively and provide sufficient service centers around the country.

Vehicle price and related maintenance cost is a crucial factor in Nigerian consumers' decisions, with fluctuating fuel prices leading to a strong emphasis on fuel efficiency, as highlighted by Ezenwoke and Amodu (2017). Brand reputation is significant too, as Nigerians prefer trusted and

established brands (Okeke, 2019). Family and peer influence, rooted in cultural and social norms, play a substantial role in Nigerian purchasing choices, often leading to preferences for brands associated with status or prestige (Okeke, 2019).

However, environmental awareness has relatively little influence on Nigerian consumers' decision-making, despite the widespread promotion of green and clean initiatives (Hassan, 2020).

### **2.3.5. Factors influencing consumer behavior when buying vehicles in Kenya**

In 2020, the leading vehicle brands in Kenya, ranked by sales popularity, were Toyota, Nissan, Isuzu, Mitsubishi, and Ford (Business Today, 2020). Except for Ford, all these brands are locally assembled in Kenya, as pointed out by Kurgat and Rotich (2018). Local assembly is well-received in Kenya, contributing to the dominance of the top four brands, as it is deemed to support the domestic economy and offers models suited to local conditions (Kurgat and Rotich, 2018). Given the challenging road conditions in Kenya, vehicle durability and reliability are paramount to consumers (Muthuri and Kang'ethe, 2019). These factors significantly influence brand preference, as consumers seek reliability in their choice of vehicle. Thus, established brands with reputation for quality and dependable after-sales service are highly regarded.

Price and maintenance costs play a pivotal role in purchasing decisions, revealed Muthuri and Kang'ethe (2019). Moreover, government policies and regulations, such as import tariffs, emissions standards, and vehicle inspection rules, hold sway in consumer decision-making. These policies can substantially affect vehicle pricing, thus influencing how consumers make their purchase decisions (Muthuri and Kang'ethe, 2019).

According to Wakoli and Mukulu (2020), social networks, family members, and peers have a substantial impact on Kenyan consumers' decision-making processes.

### **2.3.6. Factors influencing consumer behavior when buying vehicles in Zambia**

In Zambia, several researchers have investigated consumer behavior. For example, Mweemba, Mweshi, and Bbenkele (2022) examined factors affecting consumer buying behavior towards local brands in Zambia; Mwaba and Simukoko (2020) interrogated the Influence of branding on consumer buying behavior; Kasonde (2019) explored understanding consumer behavior towards renewable energy products in Zambia; Phiri and Mwewa (2018) evaluated factors affecting consumer buying behavior of detergent products in Zambia, while Miti (2017) studied factors influencing consumer buying behavior of fast moving consumer goods. Of all these studies, not

one of them addressed consumer behavior towards motor vehicle purchases in Zambia. Therefore, this study seeks to address this research gap by examining factors influencing consumer decision making when purchasing a motor vehicle in Zambia.

#### **2.4. Implications from the literature review**

From the preceding literature review, it can be deduced that the decision to purchase a motor vehicle is dependent on several factors – among them; the price of the vehicle and other related vehicle maintenance costs; a vehicle brand that is durable and reliable, social parameters, and environmental concerns. All these factors determine how consumers decide whether to buy a car. This information can be used by the management of CFAO to develop a plan that would be put into action to successfully reduce the gap between Toyota and the other three brands.

#### **2.5. Theoretical Framework**

A theoretical framework refers to a structured foundation of concepts, theories, and existing knowledge that guides the study's design, methodology, and interpretation (Thompson, 2012). According to Grant and Osanloo (2014), it serves as a guide and conceptual map that helps researchers frame their research questions, hypotheses, and variables within a broader context; thus, a theoretical framework enhances the validity and relevance of the study (Flick, 2014). The importance of a theoretical framework lies in its ability to provide a clear rationale, direction, and structure for the research, making the study more cohesive and impactful. Therefore, the researcher uses the framework as an umbrella under which s/he attempts to provide answers to prove the hypothesis.

##### **2.5.1. Consumer Behavior Theories and Models**

In this segment of the research, carefully selected theories and models are presented, with the selection of the models based on how well they apply to consumer behavior when purchasing a vehicle.

###### ***2.5.1.1. The Howard-Sheth Model***

The Howard-Sheth Model, developed in 1969, is a consumer behavior model that emphasizes the interaction between internal and external factors in influencing consumer decision-making. It consists of three key components:

*Inputs*, representing external stimuli and influences, such as advertising and sales promotion.

*Perceptual and Learning Constructs*, which involve how consumers process and interpret information received from inputs.

*Outputs*, reflecting consumer responses like brand preference and purchase behavior.

According to Schiffman and Wisenblit (2015), this model is significant because it highlights that consumers evaluate products or brands based on multiple attributes, actively process information, and are influenced by external factors such as culture and social influences.

### ***2.5.1.2. The Switching Barrier Model***

The Switching Barrier Model, developed by Jones, Mothersbaugh, and Beatty (2000), explores the reasons why consumers stick with a brand instead of switching to a competitor. This model identifies four types of barriers:

*Economic Barriers*: These involve financial costs and efforts associated with switching from one brand to another, including cancellation fees, setup costs, and time spent researching alternatives.

*Psychological Barriers*: Emotional attachments, loyalty, and comfort with the current brand can deter consumers from switching to another brand due to feelings of inertia.

*Functional Barriers*: Brands with unique features or benefits that are hard to replicate can act as barriers to switching to another brand, as consumers don't want to lose those benefits.

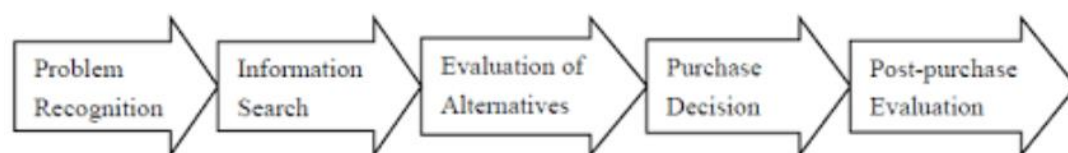
*Social Barriers*: Social factors, such as maintaining social status or peer pressure, can influence brand loyalty, even when better alternatives exist.

This model helps explain why consumers may choose to remain loyal to a brand despite potential benefits offered by competitors.

### ***2.5.1.3 Consumer Decision Making Process Model***

The Consumer Decision-Making Process Model, developed by Kotler and Armstrong (2017), outlines the five stages consumers go through when making a purchase decision:

**Figure 2: The Consumer Decision Making Process**



*Source: Kotler and Armstrong (2017)*

*Problem Recognition:* Triggered by a gap between the current and desired needs or wants, and caused by internal or external stimuli, such as hunger or an advert respectively.

*Information Search:* Consumers actively seek information to find potential solutions to the identified problem in the problem recognition phase, either through internal or external search.

*Evaluation of Alternatives:* Consumers evaluate available alternatives based on attributes like price, quality, features, and brand reputation.

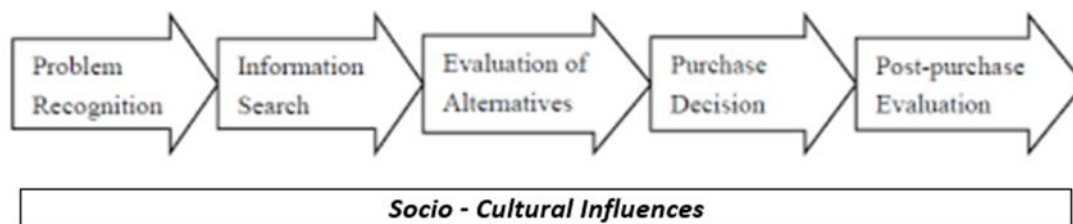
*Purchase Decision:* Consumers make a decision, influenced by personal preferences, budget, and perceived value.

*Post-Purchase Behavior:* After the purchase, consumers evaluate their decision, leading to satisfaction or cognitive dissonance. Positive experiences can result in brand loyalty, while negative ones can lead to returns or negative word-of-mouth.

This model helps marketers understand consumer thought processes and behaviors during the purchasing journey, allowing them to tailor their strategies and offerings to meet consumer needs at each stage.

However, to understand the Zambian consumer decision making process, the researcher proposes an adjustment to Kotler and Armstrong (2017)'s model to include socio-cultural influences – illustrated in figure 3 below.

**Figure 3: Adjusted Consumer Decision Making Process**



*Source: Own illustration*

The researcher submits that in a developing nation such as Zambia, socio-cultural factors play a significant role in shaping consumer behavior. These socio – cultural factors include cultural norms, values, beliefs, and traditions. The researcher believes that integrating these factors throughout every stage of the decision-making process can provide a more comprehensive understanding of consumer behavior in Zambia. This involves recognizing the influence of social networks, family structures, and cultural practices on consumers' purchasing decisions (Qazzafi, 2020).

Cultural norms and values shape individuals' perceptions of needs and desires, impacting how consumers recognize problems. Social networks introduce individuals to new ideas or needs, influencing their problem recognition.

In information gathering stage, not everyone has easy access to information platforms while some lack literacy skills, so word-of-mouth recommendations from friends and family plays a significant role.

Cultural preferences influence how individuals evaluate alternatives, with products aligning with cultural norms and values being viewed more favorably. Socio-cultural factors like social status impact brand evaluation, with individuals prioritizing brands that enhance their social standing.

Cultural practices and norms influence purchase decisions, with consumers often making purchases to uphold traditions or meet societal expectations. Some decisions are made collectively within families, reflecting consensus rather than individual preferences.

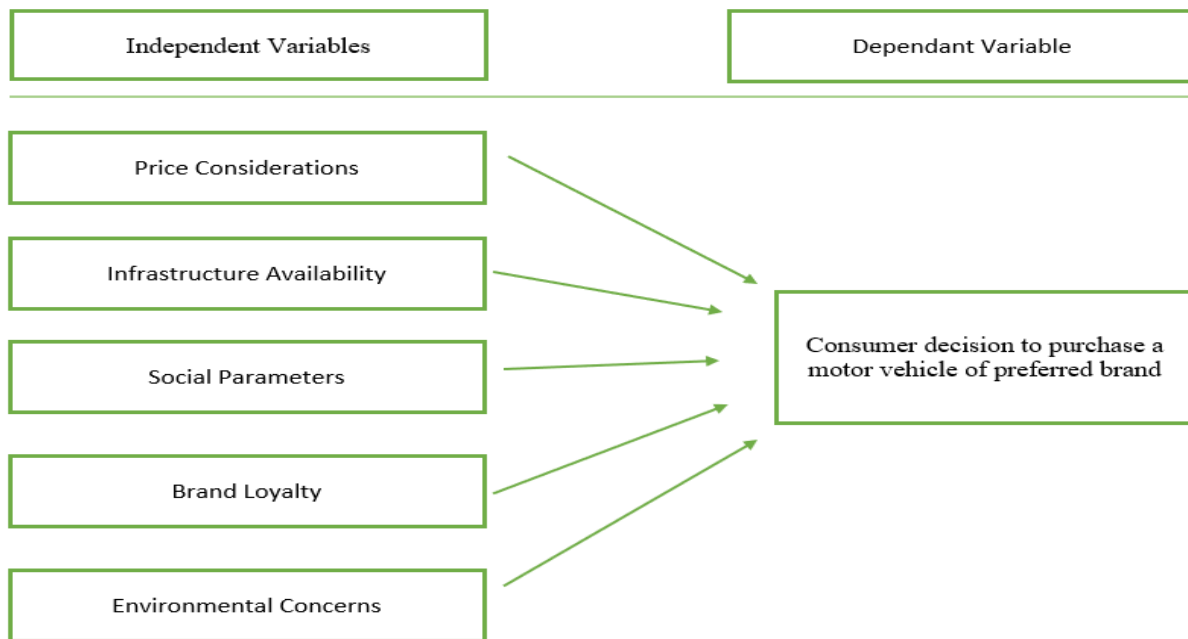
In the post-purchase stage, positive experiences shared within social networks foster brand loyalty, while negative experiences may lead to social stigma. Overall, socio-cultural factors profoundly influence consumer behavior throughout the decision-making process.

## **2.6. Conceptual Framework**

A conceptual framework is a visual or written representation that depicts how various variables, concepts, and ideas interconnect within the context of a study (Trochim, 2021). According to Green and Thorogood (2018), it offers a structure for organizing and illustrating relationships between different elements. This aids researchers in formulating hypotheses, guiding data collection and analysis, and interpreting results. Conceptual frameworks are crucial as they serve as a clear roadmap for research, ensuring that the study remains focused, coherent, and aligned with theoretical and empirical understanding (Patton, 2015).

In this study, the researcher considered several concepts, including price considerations, infrastructure availability, social parameters, environmental concerns, and brand loyalty. These concepts, presented in Figure 4, form the basis for the study's independent and dependent variables, which will be detailed in the following paragraphs.

**Figure 3: The Conceptual Framework**



*Source: Own Illustration.*

In academic research, a variable is defined as any characteristic with different values, often used to explore their impact on one another (Flanelly et al., 2014). In social sciences, understanding variables is essential, as they help researchers examine the relationships between different factors and study outcomes (Flanelly et al., 2024).

The dependent variable (DV) is the factor observed or measured in a study (Leedy and Ormrod, 2014), which is influenced or affected by other study factors (Bryman and Bell, 2015). A dependent variable is called ‘dependent’ because its value is dependent on the influence of other variables. In this study, the dependent variable is the consumer's decision to purchase a motor vehicle.

An independent variable (IV), as defined by Hair et al. (2018), is a factor that researchers can manipulate or control. It is believed to influence the dependent variable and is not influenced by any other variable in the study, thus earning the name 'independent.' In this research, independent variables include price considerations, infrastructure availability, brand loyalty, social parameters, and environmental concerns.

Using a mathematical equation of functions to illustrate this, the formula is:

$$DV = (IV_1, IV_2, IV_3, IV_4, IV_5)$$

From the above, the dependent variable – on the left side of the equation **DV** has a value that depends on the independent variables on the right side **IV<sub>1</sub>, IV<sub>2</sub>, IV<sub>3</sub>, IV<sub>4</sub>, IV<sub>5</sub>**

### **2.6.1. Price Considerations**

Price consideration as a factor influencing consumer decision making, is a generic term encompassing several components, which include:

#### ***2.6.1.1 The Purchase Price***

As defined by Chatterjee et al. (2019), purchase price is the amount a consumer pays for their preferred vehicle. Sajeesh and Kandasamy (2020) emphasized the significant role of purchase price in consumer decision-making as it directly impacts affordability and the perceived value of the motor vehicle. Consumers assess if the price aligns with their budget and perceived product value, considering the opportunity cost of allocating money to a new vehicle purchase. In developing nations like Zambia, budget-friendly options are often preferred by consumers.

#### ***2.6.1.2 The Maintenance Cost***

Maintenance cost encompasses all expenses related to keeping a vehicle operational and well-maintained, including insurance, road tax, routine servicing, and fuel costs (Sivakumar, Grewal, and Sharma, 2015). When deciding on a purchase, consumers consider not only the immediate affordability of a vehicle but also its long-term financial impact due to maintenance costs. In developing nations, there is a priority on vehicles with lower maintenance costs (Sajeesh and Kandasamy, 2020).

#### ***2.6.1.3 The Resale Value***

Li and Yang (2021) highlighted the importance of a vehicle's resale value in financial planning. Higher resale value implies better trade-in opportunities for future upgrades. Vehicles with higher resale value often have superior build quality and lower maintenance costs, potentially representing future income in the event of an outright sale.

#### ***2.6.1.4 The Financing Options***

Yang and Nayga (2022) affirmed that consumers consider financing options (such as loans and leases) when purchasing a vehicle. Dealerships with accessible and flexible financing options attract a broader consumer base. Consumers worldwide, both in developed and developing nations, are attracted to lower interest rates and affordable monthly loan repayments or lease rentals when buying a vehicle.

### **2.6.2. Social Parameters**

Social parameters, in the context of this study, encompass how factors like social status, societal recognition, reference groups, and lifestyle influence consumers' vehicle purchase decisions.

Consumers with higher social status often opt for premium brand vehicles to symbolize success and prestige (Pham, 2021). Consumers in different social strata choose vehicles aligning with their preferred lifestyles, whether eco-conscious, adventurous, or sophisticated. Solomon (2021) observed that socially prominent individuals may favor instantly recognizable, well-branded vehicles, as they reinforce status and lifestyle. Some vehicles are considered status symbols, chosen to display an elevated lifestyle (Schiffman and Kanuk, 2019). Additionally, many consumers seek advice from peers and family, which significantly impacts their decision-making. Social parameters play a significant role in shaping vehicle purchase choices.

### **2.6.3. Infrastructure availability**

Availability of infrastructure, with respect to the subject of factors influencing consumer decision making in purchasing motor vehicles, refers to two elements:

#### ***2.6.3.1 Quality Roads***

According to Dissanayake (2020), having access to well-maintained roads significantly influences a vehicle's performance, as high-quality roads lead to smoother rides, improved vehicle handling, and decreased wear and tear on the vehicle. Additionally, they enhance safety by reducing the risk of accidents and ensuring the safety of the driver and passengers. The overall driving experience is greatly improved on well-maintained roads. Moreover, it results in lower maintenance costs since vehicles driven on poor roads are more prone to damage, leading to higher maintenance and repair expenses, while also reducing the vehicle's lifespan.

#### ***2.6.3.2 Readily Available Service Centers***

In their research, Huang, Zhang, and Wu (2021) discovered that consumers frequently opt for vehicle models with nearby service centers to guarantee timely and efficient vehicle servicing. Thus, convenient access to service centers for maintenance and repairs is a vital factor for vehicle owners, particularly in areas lacking a well-established network of quality roads.

### **2.6.4. Brand Loyalty**

Brand loyalty can be described as a consumer's unwavering commitment to consistently purchase

a particular brand's products or services over those of competitors (Chien et.al, 2021). It represents that deep-seated preference and attachment to a specific brand which often leads to repeat purchases and positive endorsements. According to Hull (2016), consumers tend to stick with brands they trust and have had good experiences with.

Brand loyalty in the automotive industry, often results from a combination of factors, including the reliability and performance of the vehicles, positive customer service experiences, and the brand's reputation for innovation and quality. Brand loyalty is underpinned on:

#### ***2.6.4.1 Emotional Attachment***

Strong brand loyalty often involves emotional connections and sentiments towards the brand, arising from positive and memorable experiences with the brand (Hull,2016). The emotional attachments also arise from a deep trust in the brand, which can be built over time through consistent and reliable interactions.

#### ***2.6.4.2 Repeated Purchases***

Loyal customers consistently choose one brand's product offerings over readily available alternatives. Kotler and Keller (2015) posited that brand loyalists often develop resistance to competitive appeals as they are less likely to be influenced by marketing efforts from competitors and not only do they continue to buy, but also recommend the brand to others through word of mouth.

#### ***2.6.4.3 Reduced Price Sensitivity***

Loyal customers prioritize brand value over price, often willing to pay premium prices for their preferred brand. They perceive the brand's products and services as offering benefits and features worth the cost, reducing their price sensitivity (Vahdat et al., 2017).

Brands with unique features create switching costs, making loyal customers hesitant to switch to a cheaper competitor due to these associated costs (Wirtz and Lovelock, 2016).

#### ***2.6.4.4 Trust and Confidence***

Brand loyalty is closely associated with trust in the brand's reliability, quality, and ability to meet consumer expectations. Trust and confidence in a brand signify that consumers believe in the brand's ability to fulfill their expectations and meet their needs. (Vahdat et al., 2017).

### **2.6.5. Environmental Awareness**

Environmental awareness significantly influences consumer decisions, particularly due to rising concerns about climate change. Consumers now prioritize vehicles with lower greenhouse gas emissions, especially carbon dioxide, and enhanced fuel efficiency (Khan et al., 2021). Governments, especially in developed nations, face pressure to enforce stricter emissions standards, compelling manufacturers to create cleaner vehicles to meet regulations. In Europe, the European Union has stringent emission standards, affecting consumer choices (European Commission, 2021). This push has led to a shift towards electric vehicles that emit zero tailpipe emissions. Zhang and Chen (2020) argue that the pursuit of lower emissions and better fuel efficiency has led to the production of electric and hybrid vehicles, marking a progressive environmental shift. Environmental concerns are now a crucial factor in consumers' vehicle choices.

### **2.7. Gaps Identified in the Literature**

Limited research has been conducted on factors influencing consumer decision-making regarding the acquisition of motor vehicles in Zambia. While some studies exist within the automotive sector (Ntumba, 2019; Muwowo, 2016; Chipeta, 2018; Kanduza, 2018; Kaluba, E., and Luo, 2019), the existing literature remains relatively scarce. This research endeavor seeks to bridge this gap in knowledge by furnishing insights into the critical factors that intricately shape consumers' decision-making processes when it comes to motor vehicle purchases. The study places particular emphasis on CFAO and aims to deliver valuable information to the Zambian Motor Industry.

The subsequent literature gap in the context of factors influencing consumer decisions when purchasing motor vehicles is that most studies on this topic are conducted in foreign countries like Kenya, Nigeria, India, Europe, and the U.S. These nations have unique political, economic, environmental, and cultural conditions that differ from Zambia. Hence, this research intends to contribute insights tailored to the Zambian environment to fill this gap.

The final gap identified is that most studies on this subject have been carried out in countries with well-established motor vehicle assembly plants. The presence of these assembly plants significantly influences consumer decision making. This study seeks to offer empirical insights into consumer decision making within an environment devoid of any domestic motor vehicle assembly plant.

## **2.8. Summary of Chapter Two**

This chapter provides an analysis of the literature on the study's area of interest, which aims to clarify the factors that influence the decision-making process of consumers. This chapter identified the theoretical and conceptual frameworks within which the investigation will be conducted.

The chapter further identified and discussed general factors that ultimately influence consumer decisions across a variety of countries, subsequently leading to the identification of research gaps which this study will try to fill and add to academia in the automotive space.

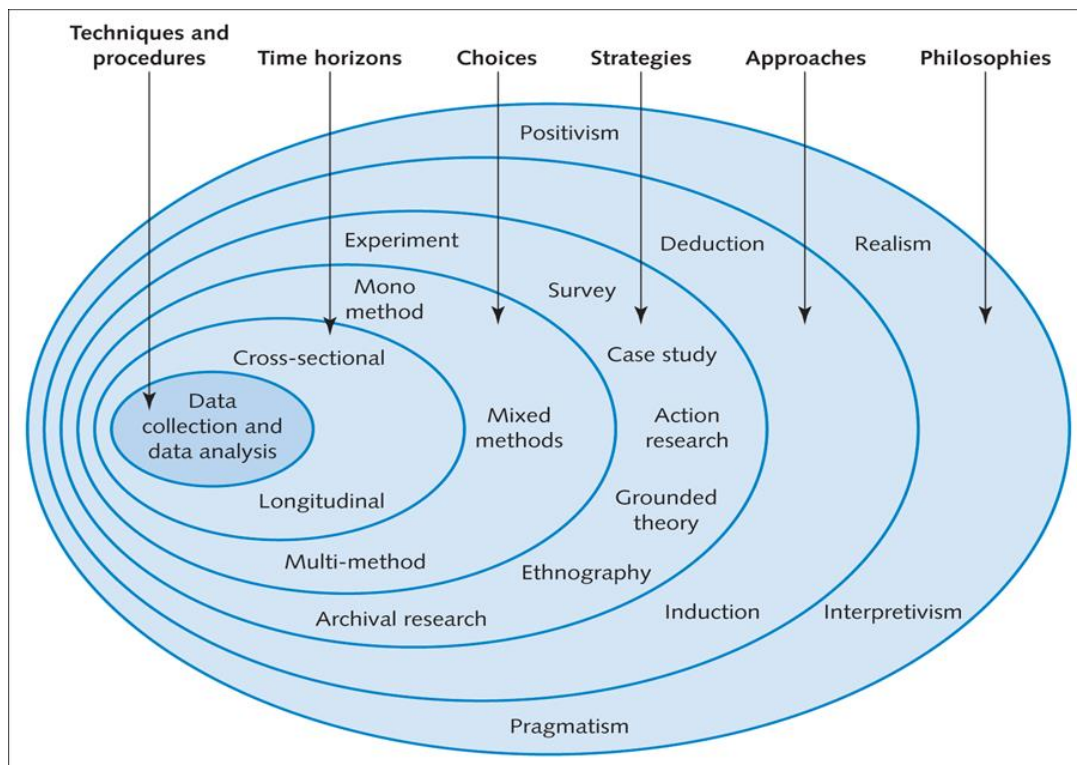
## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1. Introduction

Research methodology is the systematic and structured approach used by researchers to conduct a study, gather data, analyze information, and draw conclusions (Sekaran and Bougie, 2016). Acting as a roadmap, it includes techniques, strategies, and procedures to address research questions, ensuring reliability, validity, and rigor (Saunders et al., 2019). The chosen methodology guides data collection, analysis, and overall research design, significantly shaping the research process and influencing study quality (Bryman, 2015).

This section presents various research methods, utilizing the research onion concept by Saunders et al. (2019), for a systematic flow of information.

**Figure 4: Research Onion**



*Source: Saunders et.al (2019)*

### 3.2. Research Philosophy

As outlined by Babbie (2016), philosophy relates to an inherent belief system, a worldview, and a collection of assumptions directing a researcher in conceptualizing and executing their studies. It influences the researcher's perspective on the nature of reality, the function of knowledge, investigative methods, understanding and interpretation of findings. This philosophy establishes

the fundamental framework shaping research design, data collection, analysis, and interpretation (Denzin and Lincoln, 2018).

Saunders et.al (2019) identifies five major philosophies that can shape a researcher's study: Positivism, Critical realism, Interpretivism, Postmodernism and Pragmatism.

In this study the researcher employed the philosophy of post-positivism. Denzin and Lincoln, (2018), submitted that post-positivism philosophy accepts that scientific inquiry can produce useful knowledge about the world but argues that this knowledge is always tentative and subject to revision based on new evidence or perspectives – emphasizing the importance of considering the context, values, and assumptions that shape both the researcher and the research process.

The selection of the post-positivism philosophy was influenced by its emphasis on practicality, problem-solving, and the integration of multiple research approaches (Creswell and Creswell, 2017).

### **3.3. Research Approach**

Research approach, also called reasoning in research, represents fundamental modes of logical inference used to form conclusions, make predictions, and generate knowledge (Neuman, 2013). They represent distinct approaches to reasoning and are often applied in various stages of the research process.

David (2017) noted that there are three research approaches: Deductive, Inductive and Abductive.

This study utilized a combination of two approaches – deductive and inductive, to marry with the chosen mixed method research.

Deductive reasoning commences with a general theory and employs it to derive specific predictions or conclusions, progressing from the general to the specific following theoretical proposition testing (Bryman, 2015). Given the common association of deductive reasoning with quantitative studies (Saunders et al., 2019), it proved particularly valuable in the quantitative phase of this research, involving the testing of hypotheses derived from existing theories.

David (2017) contends that inductive reasoning proves valuable when a researcher aims to explore and derive insights from data, facilitating the organic emergence of patterns and themes. This approach allows for the development of new theories and concepts grounded in qualitative findings. Given its association with qualitative research (Saunders et al., 2019), inductive reasoning was aptly utilized in the qualitative phase of this study. It assisted in identifying attributes distinguishing a consumer's preferred brand, enriching the context for results analysis.

### **3.4. Research Strategy**

A research strategy denotes the systematic plan guiding researchers in conducting a study, collecting data, and addressing research questions (Yin, 2015). It encompasses the chosen framework and methodology for investigating a specific topic, guiding the entire research process.

Saunders et al. (2019) outlined that there are several research strategies available. In this study, the researcher opted for a case study, a research design utilizing multiple sources for an empirical investigation of a contemporary phenomenon in its real-life context (Yin, 2015).

The choice of a case study was deemed most suitable as it allowed the collection of data from multiple sources (such as interviews and questionnaires), providing a comprehensive understanding of the research topic and yielding practical insights (Yin, 2015).

### **3.5. Research Choice**

This study adopted a mixed-method approach, integrating the collection and analysis of both quantitative and qualitative data to fulfill its research objectives. The rationale for employing the mixed-method approach lies in its capacity to offer a more profound and comprehensive understanding of research questions, leveraging the strengths inherent in both qualitative and quantitative methodologies (Creswell and Plano Clark, 2017).

### **3.6. Research Purpose**

According to Creswell and Creswell (2017), the research purpose denotes the specific aim or objective that a study intends to achieve. It serves as the primary guide for the research process, defining the researcher's intentions. Saunders et al. (2019), suggested that research studies can be explanatory, exploratory, descriptive, evaluative, or a combination. This study adopts an exploratory purpose, seeking to explore the factors influencing consumer behavior in the context of motor vehicle purchases.

### **3.7. Time Horizon**

This study was cross-sectional, as it collected data to conduct an inquiry into the research topic at a particular time. It was a 'snapshot' study (Saunders et.al, 2019).

### **3.8. Target Population**

According to Neuman (2013), the target population is the entire group of individuals that the researcher is interested in studying or making inferences about. It represents the broader population to which the study's findings are intended to apply.

For this study, the target population comprised 1,878 customers - who purchased at least one motor vehicle from CFAO between January 2018 to December 2021. The population of 1,878 was split as follows: 1,071 individual customers who are end users of the vehicles they purchased, was used for the quantitative phase, while 807 corporate customers were considered for the qualitative phase of the study.

### **3.9. Quantitative Phase**

Creswell and Creswell (2017) explained that the quantitative phase of a study encompasses the gathering and analysis of numerical data to explore relationships, patterns, and trends within a defined population, sample, or dataset. This phase is distinguished by its focus on quantifiable variables, structured data collection techniques, and the application of statistical data analysis methods (Neuman, 2013).

#### **3.9.1. Sample Size**

Sample size, defined by David (2017), pertains to the number of participants, observations, or data points chosen from a broader population for data collection and analysis purposes. Its significance in quantitative research lies in its direct impact on the validity and reliability of study findings. Neuman (2013) highlighted that a well-determined sample size ensures that the results can be generalized to the larger population from which the sample is drawn.

In line with Yamane's formula (1967), the researcher computed the quantitative sample size for this study's phase as:

$$n = N / (1 + N e^2)$$

where:

n is the required sample size.

N is the total population size.

e is the margin of error required (expressed as a proportion, not a percentage).

The researcher worked with a target population of 1,071 individual customers and a margin of error of 5%.

With these parameters, sample size was determined as:

$$n = 1,071 / (1+1,071 \times 0.05^2)$$

$$n = 1,071 / (1+1,071 \times 0.0025)$$

$$n = 1,071 / (1+2.6775)$$

$$n = 1,071 / 3.6775$$

$$\underline{n = 291}$$

### **3.9.2. Sampling Method**

In the quantitative phase, the researcher employed the probability sampling method, which is characterized by selecting samples where the likelihood of each case or element being chosen from the population is known and non-zero (Saunders et al., 2019). According to Mweshi and Sakyi (2020), probability sampling facilitates the assessment of data reliability, instilling confidence in the impartiality and accuracy of the results.

This study employed stratified sampling, a probability sampling technique in quantitative research that divides a population into subgroups (strata) based on specific characteristics of interest (Babbie, 2016). These subgroups are independently sampled to ensure representation of the entire population. As outlined by Mweshi and Sakyi (2020), when a population has diverse features and it is crucial to ensure fair representation of each characteristic, stratified sampling is suitable.

In this study, the population was stratified based on brand customer type to account for the different customers for each vehicle brand, ensuring a representative sample.

### **3.9.3. Data Collection**

Numerical primary data was collected using self-administered structured questionnaires. According to Fowler (2013), self-administered questionnaires are the most efficient way of collecting primary data as they are cost-effective, convenient, maintain anonymity and privacy, and can be distributed to several participants at the same time.

### **3.9.4. Data Analysis**

Analyzing quantitative data involves a systematic process of organizing, cleaning, exploring, and drawing conclusions from numerical information (Hair et al., 2018). Various tools and techniques, including descriptive statistics for mean, median, average, and standard deviation; data visualization using bar charts, histograms, and pie charts; correlation and regression analysis for exploring relationships between variables; and specialized statistical software like SPSS, were employed to enable advanced statistical analysis.

### **3.10. Qualitative Phase**

The qualitative phase of the study adopts a research approach designed to delve into, and comprehend the complexities, meanings, and contexts of human experiences, behaviors, and phenomena (Creswell and Poth, 2018). It emphasizes non-numerical data sources like text, narratives, interviews, observations, and visual materials. The primary objective is to gain profound insights into the perspectives, beliefs, motivations, and social dynamics associated with a specific research topic (Merriam and Tisdell, 2015).

#### **3.10.1 Sample Size**

In contrast to quantitative research, determining sample size in qualitative studies lacks clear-cut guidelines. Mweshi and Sakyi (2020) and Saunders et al. (2019) affirm the ambiguity and absence of strict rules in qualitative sample size determination. Creswell and Poth (2018), however, suggested that for broad-scoped topics or samples from heterogeneous populations, 5 to 30 interviews are adequate. Consequently, the researcher opted for a sample size of 20 for the qualitative phase of this study.

#### **3.10.2 Sampling Method**

Qualitative studies often rely on non-probability sampling methods (Silverman, 2017). Non-probability sampling entails selecting a sample without ensuring that each member of the population has a known, non-zero chance of being included (Mweshi and Sakyi, 2020).

The researcher employed purposive sampling; a non-probability sampling method commonly used in qualitative research. Purposive sampling intentionally selects participants based on specific criteria or characteristic, aiming to gather the most insightful information relevant to the research questions, rather than relying on random selection (Yin, 2015; Silverman, 2017).

### **3.10.3 Data Collection**

For the qualitative phase of this study, primary data was gathered through semi-structured interviews. Creswell and Creswell (2017) highlighted that semi-structured interviews in qualitative research offer flexibility in engaging participants, providing rich contextual insights as participants interact with the interviewer. This approach fosters interpersonal dynamics, allowing the establishment of rapport, and enables tailoring questions to participant characteristics.

Alongside semi-structured interviews, an interview guide was employed for consistency, comprehensiveness, and efficient time utilization in covering all relevant areas of inquiry (Patton, 2015).

### **3.10.4 Data Analysis**

Qualitative data analysis typically entails the systematic exploration and interpretation of textual, visual, or audio information to discern patterns, themes, and insights (Miles et.al, 2015). Employing established methods, the researcher utilized content analysis to systematically examine textual and visual content, and narrative analysis to explore the structure and content of participants' personal stories regarding their preferred brand during interviews.

## **3.11. Reliability and Validity Tests**

Validity, as defined by Bryman (2015), relates to the accuracy and truthfulness of research findings, ensuring that a study measures what it claims and justifies the drawn conclusions. In any research, validity ensures that the research findings are meaningful and trustworthy, and it demonstrates that the study accurately reflects the research objectives and the real-world phenomena under investigation (Creswell and Creswell, 2017).

In this research, validity is assured through clear conceptualizations, where constructs and concepts are precisely defined; use of multiple data sources and methods enabling triangulation; seeking expert reviews for comprehensive coverage, and pilot testing of the questionnaire addresses concerns in the measurement instrument (Hair et.al, 2018). This safeguards the study's meaningfulness and trustworthiness, accurately reflecting research objectives and real-world phenomena (Creswell and Creswell, 2017).

Reliability, according to Leedy and Ormrod (2019), relates to the consistency, stability, or repeatability of research measures and procedures. It assesses whether consistent results would be

obtained in multiple executions under similar conditions. To ensure reliability, the researcher employed a sufficiently large sample size with participant variability for more reliable results. The test-retest method was applied by administering the same data collection instrument to the same group on two separate occasions, measuring the correlation between them. Additionally, Cronbach's alpha was utilized to gauge consistency and assess its reliability (DeVellis, 2016).

### **3.12. Expected Findings**

The expected findings of this research on factors influencing consumer decision-making when purchasing a vehicle, with respect to the customers of CFAO may be multifaceted.

It was anticipated that the study would reveal various factors influencing consumers' decision making, including price, infrastructure availability, brand reputation, environmental concerns, social status, and personal preferences. In ranking these factors, especially for a developing nation like Zambia, it was expected that price would be a top consideration for budget-conscious consumers, followed by factors like preferred brand, social status, and family considerations. The researcher expected brand loyalty to impact decision-making, with consumers highlighting special attributes that differentiate their preferred brand such as good perceived quality and emotional attachment.

However, recognizing these assumptions as a starting point, the researcher acknowledged that actual results would likely differ, offering nuanced insights into consumer behavior at CFAO. The combination of quantitative and qualitative data aimed to provide a comprehensive understanding, guiding strategic decisions based on the specifics of the collected data, chosen research methodology, and participant characteristics.

### **3.13. Ethical Considerations**

Conducting research, especially in the field of consumer behavior, involves a lot of ethical considerations to ensure the well-being of participants and the integrity of the research process. The researcher prioritized participant welfare by ensuring thorough informed consent before data collection, and elucidation of the study's purpose, procedures, potential risks, and benefits (Saunders et. al, 2019). The participants were assured of voluntariness, with freedom to withdraw from the study at any point. The researcher committed to confidentiality, assuring participants that their responses would be safeguarded, and personal information kept confidential (Denzin and Lincoln, 2018).

The researcher further prioritized participant well-being, addressing potential physical, emotional, and psychological impacts to prevent harm. Transparency in communicating all research methods and procedures was paramount, ensuring participants were not deceived or provided false information about the study's purpose (David, 2017).

To ensure the study's benefit to both society and participants, the researcher upheld objectivity by preventing bias in data collection, analysis, and reporting, particularly when dealing with competing brands. High ethical standards were maintained, including avoiding plagiarism, providing accurate citations, and reporting results accurately.

The researcher continually monitored and assessed the ethical implications of any actions and decisions taken throughout the research.

### **3.14. Chapter Three Summary**

This chapter gave a detailed account of how the researcher went about the research methodology and justifications of the research strategies and approaches employed. The chapter further looked at the sampling and data collection methods used in the study. A discussion on the expected findings is included, then the chapter is concluded with a discussion on matters of ethical significance.

The next chapter will proceed to present the results of the data collected.

## CHAPTER FOUR: PRESENTATION OF RESULTS AND DATA ANALYSIS

### 4.1. Introduction

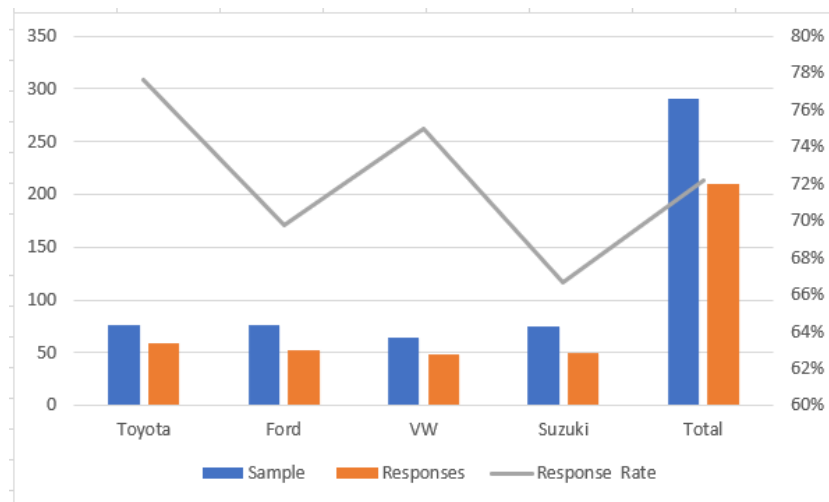
This chapter aims at discussing the research findings and analyzing the data collected. It discusses the factors that influence consumer decision making when purchasing a motor vehicle. As discussed in chapter three, quantitative data was collected using a self-administered structured questionnaire, while semi structured interviews collected qualitative data.

### 4.2. Response Rate

Fowler (2013) defined response rate as the proportion of completed and usable responses received from the total number of individuals in the sample. Calculated by dividing the number of responses by the total sample size, a higher response rate is desirable as it enhances the representativeness of the study.

Of 291 questionnaires administered, 210 responses were received translating into a response rate of 72.2%.

**Figure 5: Sample Size Verses Response Rate**



### 4.3. Demographic Information

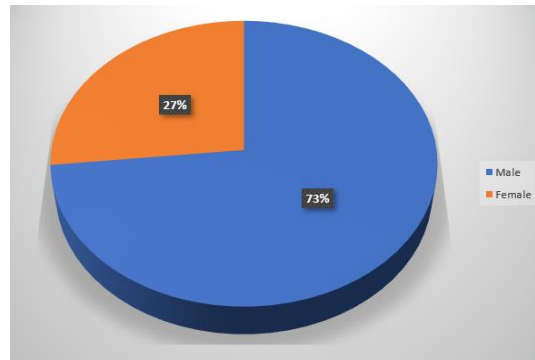
This section of the study captured the respondent's demographic information. The results are discussed below.

#### 4.3.1. Gender

Distribution by gender describes the proportion of respondents that were male and female in

relation to the sample size. The pie chart below – Figure 6, shows that 73% of the respondents were male and 27% were female, showing that a bigger proportion of vehicle buyers were males.

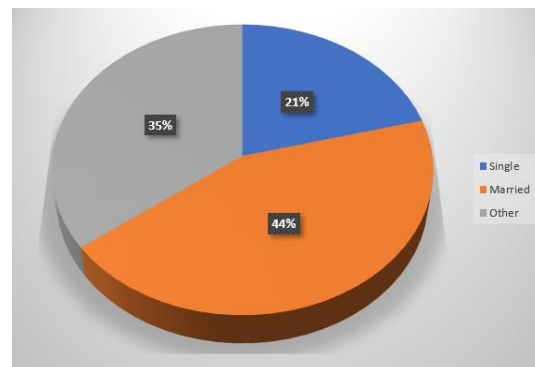
**Figure 6: Distribution by Gender**



#### 4.3.2. Marital Status

The breakdown of respondents by marital status, shown in Figure 7 below, revealed that the highest percentage of vehicle buyers were married people - 44% of total respondents. This was followed by others (either divorced or widowed) representing 35% and the lowest participation was of single people representing 21%. This is informed by findings in Figure 8 below which illustrated that majority vehicle buyers (60%) are aged 35 and above.

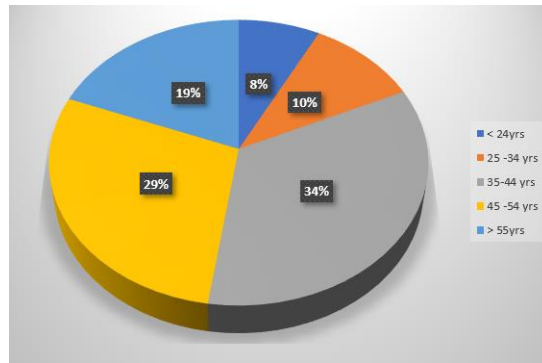
**Figure 7: Marital Status**



#### 4.3.3. Age Distribution

Age distribution sought to establish the age of vehicle consumers. Figure 8 below shows that most vehicle buyers are aged between 35 – 44 years representing 34%, followed by the age bracket between 45 – 54 years at 29%. The least car buyers are aged below 24 years and represent only 8% of the total respondents. This is informed by Figure 9 below, alluding to the fact that most young people are either unemployed, or may be employed, but have not amassed sufficient experience to demand reasonable salaries to finance their vehicle purchases.

**Figure 8: Age Distribution**



#### 4.3.4. Income Levels

**Figure 9: Income Levels**

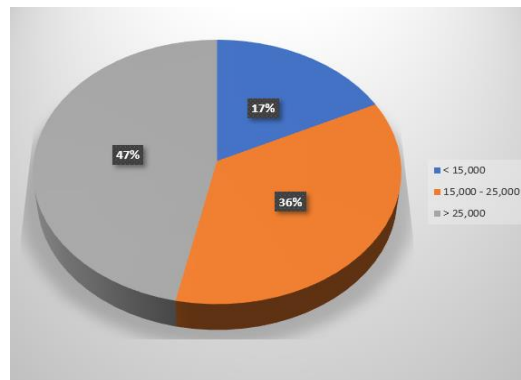
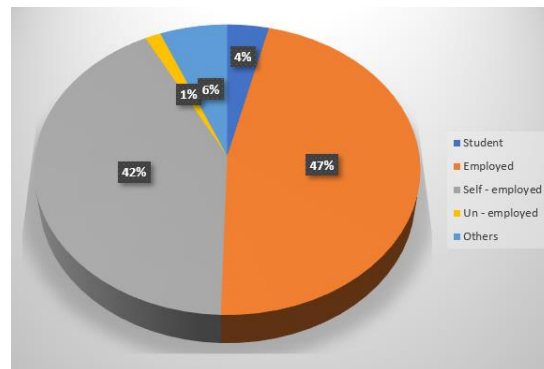


Figure 9 shows that only 17% of the respondents earned below ZMW15, 000 while 47% earned above ZMW 25,000. 36% of the respondents stated their income was between ZMW15, 000 and ZMW 25, 000. Most car buyers earn above ZMW25,000. This position is informed by the findings in Figure 10 below – which revealed that 47% of respondents were in formal employment earning a salary and thus able to finance the purchase of a vehicle.

#### 4.3.5. Employment Status

A breakdown of the data collected based on occupation status, reveals that majority car buyers are those in formal employment – at 47%, followed by the self-employed at 42%. The subgroup others – which encompasses those in retirement and redundancy comes third at 6%. Students who buy vehicles account for 4%, while the least of the car buyers are the unemployed representing a mere 1%. These results are consistent with the findings under Figure 9 above.

**Figure 10: Employment Status**



### 4.3.6. Vehicle Finance

**Figure 11: Vehicle Finance**

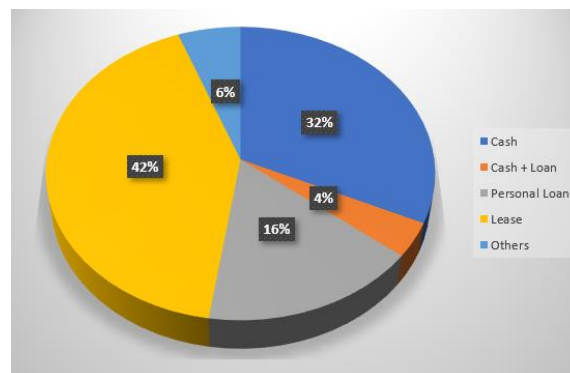


Figure 11 shows that 42% of vehicle purchases are funded through vehicle lease finance, while 32% are bought using cash. 16% are funded using personal loans. Vehicle purchases funded by other means such as gifts and vehicle trade-ins account for 6%, while only 4% of vehicle purchases are funded by a combination of cash plus personal loans. With most vehicle purchases being funded by lease finance (42%), this is informed by Figure 10 and 9 respectively – which shows that 42% of car buyers are in former employment and 47% earn above ZMW 25,000 . You need to be in formal employment and earn a decent salary to qualify for vehicle lease finance.

### 4.4.Purchase Behavior

The section presents information on the respondents’ purchase behavior and preferences.

#### 4.4.1. Vehicle Brand Choice

Figure 12 below shows the respondents’ preferred vehicle brand. Of 210 responses obtained, 28% preferred Toyota, 25% chose Ford, 24% prefer Suzuki with VW being the least choice at 23%.

This information is consistent with the presentation in Figure 5. The vehicle brand choice findings are also informed by the satisfaction levels with brand choice results as illustrated in Figure 13 below.

**Figure 12: Vehicle Brand Choice**



**4.4.2. Satisfaction Levels with Vehicle Brand Choice**

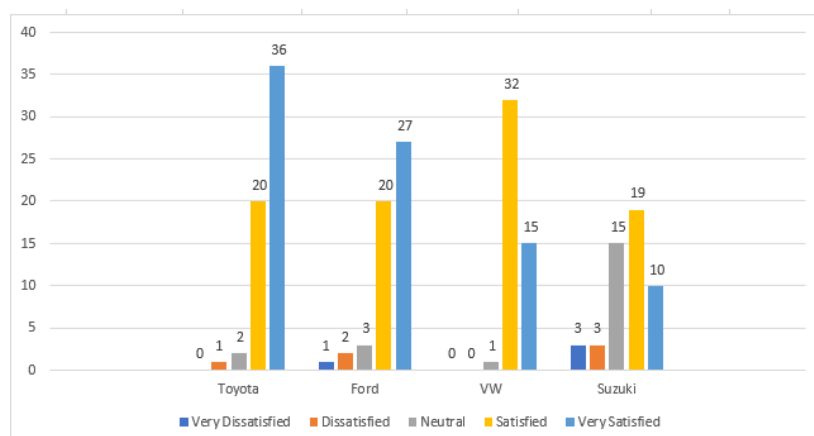
As shown by Figure 13 and Table 4.1 below, Of the 59 respondents who preferred Toyota vehicles, 61% were very satisfied with their brand choice, 34% were satisfied and 3% were unsure. Only 2% were dissatisfied with their brand choice.

Ford – which had 53 respondents posted the levels: 51% very satisfied; 38% satisfied; 6% unsure; 4% dissatisfied and 2% very dissatisfied with their preferred brand.

Of the 48 VW respondents, 31% and 67% were very satisfied and satisfied respectively, with only 2% being unsure of their satisfaction levels.

Suzuki had 58% of customers ranging from satisfied to very satisfied, 30% were not sure about how they felt and 12% ranging from dissatisfied to very dissatisfied.

**Figure 13: Satisfaction Levels with Brand Choice.**



**Table 4.1: Satisfaction Levels with Brand Choice.**

Satisfaction Levels						
Brand	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied	Total
Toyota	0%	2%	3%	34%	61%	100%
Ford	2%	4%	6%	38%	51%	100%
VW	0%	0%	2%	67%	31%	100%
Suzuki	6%	6%	30%	38%	20%	100%

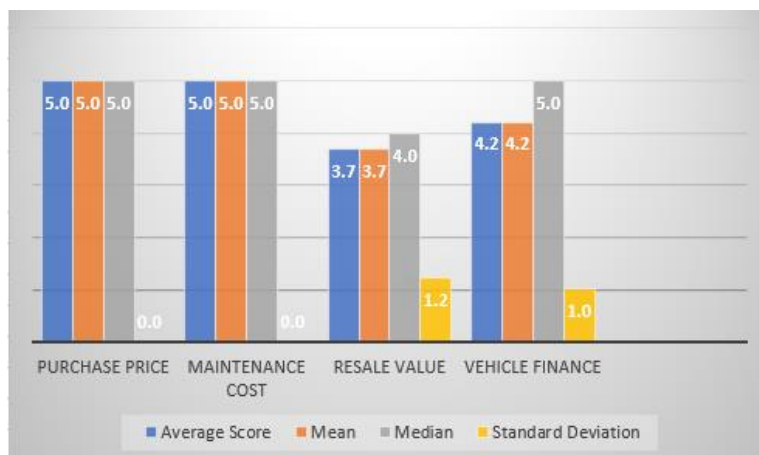
In summary, Toyota and VW have extremely high satisfaction levels with customers predominantly satisfied or very satisfied, and virtually negligible dissatisfaction indicating a strong positive sentiment. Ford has high satisfaction levels, but a slightly higher percentage in the neutral to dissatisfied category compared to Toyota and VW. Lastly, Suzuki has mixed satisfaction levels, as a substantial portion of respondents falls in the neutral to dissatisfied category, indicating room for improvement.

#### 4.5. The Primary Factors Consumers Consider When Purchasing a Motor Vehicle

To determine the key factors that influence consumer decision making in motor vehicle purchases, a 5-point Likert scale was used to capture the respondent’s perceptions. The results were analyzed and are presented below.

##### 4.5.1. Price Considerations

**Figure 13: Price Consideration Facets**



For the facets under price consideration variable, purchase price and maintenance cost have an average score, mean, and median of 5.0, indicating that respondents, on average, gave these factors the highest priority when considering a vehicle purchase. The lack of deviation (represented by standard deviation of 0.0) suggests unanimous agreement among respondents on the high importance of these factors. Re

sale value and vehicle finance have slightly lower average and mean scores compared to purchase price and maintenance cost, but still hold considerable importance. The variability (standard deviation of 1.2 and 1.0 respectively) suggests that opinions on resale value and vehicle finance vary among respondents.

### 4.5.2. Infrastructure Availability

**Figure 14: Infrastructure Availability Facets**



Infrastructure availability variable has two facets – quality roads and service centres availability. In figure 14, the average score, mean, and median are almost equal for quality roads (4.0) and available service centres (3.9) - indicating a consistent high rating for the importance of these facets in the decision-making process. The standard deviation of 1.1 (quality roads) and 1.0 (available service centres) suggests some variability in the respondents' opinions.

### 4.5.3. Social Parameters

Under social parameters, the facets social status and family and peer advise post very similar results, of 3.7 and 3.8 respectively – for the two measures mean and average score. These scores indicate a moderate rating of importance of the two facets in the decision-making process. The standard deviation of 1.3 and 1.4 suggests there is a degree of variability in respondents' opinions.

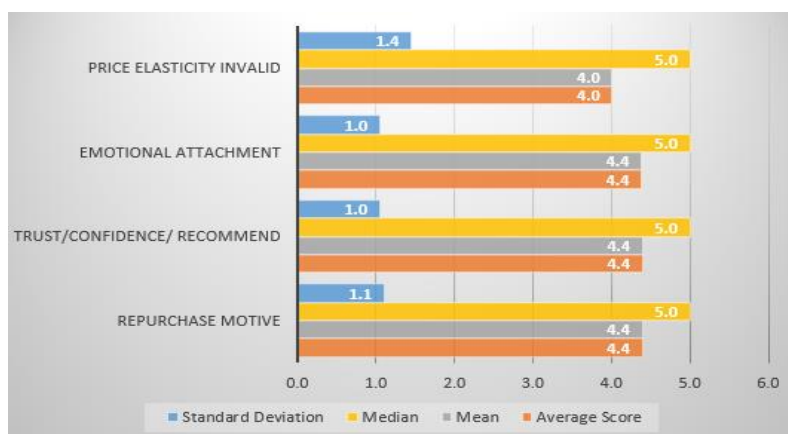
**Figure 15: Social Parameter Facets**



#### 4.5.4. Brandy Loyalty

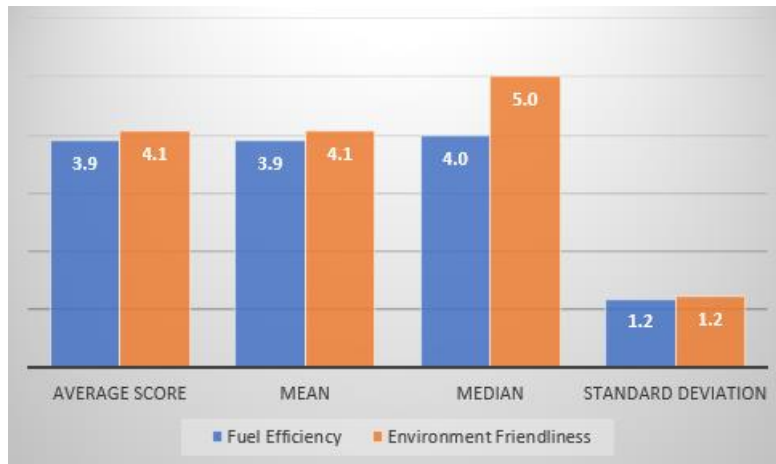
For the three facets – the repurchase motive, the trust and confidence in the brand leading to recommendation, and emotional attachment - the average score, mean, and median all measured at 4.4. The closeness of the three measures indicates a high rating of importance of these facets. The low standard deviation of 1.1 suggests low variability in responses, indicating strong agreement among respondents about the high importance of this factor. The last facet under brand loyalty - price elasticity has an average score of 4.0, same score as the mean, and median. This indicates a moderately high rating for the importance of price elasticity invalidity. The higher standard deviation of 1.4 suggests some variability in responses, indicating that while the mean and median are moderately high, individual opinions on this factor vary more than the others.

**Figure 15: Brand Loyalty Facets**



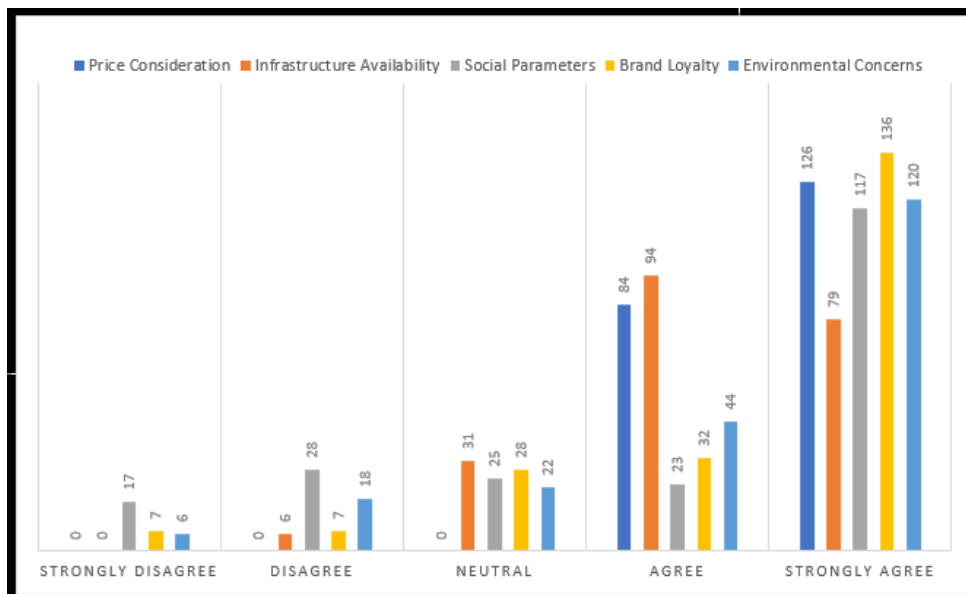
### 4.5.5. Environmental Concerns

**Figure 16: Environmental Concerns Facets**



Two facets were used to test the respondents’ environmental concern in decision making - fuel efficiency and environmental friendliness. With the two measures of average score and mean measuring 3.9 for fuel efficiency and 4.1 for environmental friendliness, there is an indication of a moderately high rating for the importance of these facets. Environmental friendliness’ median is higher at 5.0, suggesting that a significant proportion of respondents rated this factor very high. The standard deviation of 1.2 suggests some variability in responses, indicating that while the mean and median are moderately high, individual opinions on the importance of these two facets vary to some extent.

**Figure 17: Respondents overall perception of primary factors**



Brand loyalty emerges as a highly significant factor, with 80% of the respondents either strongly agreeing or agreeing that it is crucial in their decision to purchase a motor vehicle.

For price consideration, all respondents (100%) agree or strongly agree that price is a key consideration when purchasing a motor vehicle. This indicates a consensus among respondents regarding the importance of price considerations.

On infrastructure availability, 82% of respondents fall into the agree or strongly agree categories, suggesting that respondents generally consider infrastructure availability as an important factor in their decisions.

For social parameters, there is some variability in responses, with a portion of respondents being neutral or disagreeing about the importance of it. However, when combining Agree and Strongly Agree, 67% still lean towards considering social parameters important.

Environmental concerns show a spectrum of opinions, but the combined numbers for Agree and Strongly Agree (78%) responses indicate that a substantial majority sees environmental concerns as important.

Summarily, respondents generally agreed to price considerations, brand loyalty, environmental concerns, social parameters, and infrastructure availability being key factors consumers consider in their decision making when buying a motor vehicle.

#### 4.6. Ranking The Primary Factors that Influence Consumer Decision Making

Respondents were asked to rank factors that influenced their decision making when purchasing motor vehicles. The factors were ranked on a scale of 1 – 5, with 1 being the least influential and 5 the most influential.

The aggregate results of the 210 respondents are presented below.

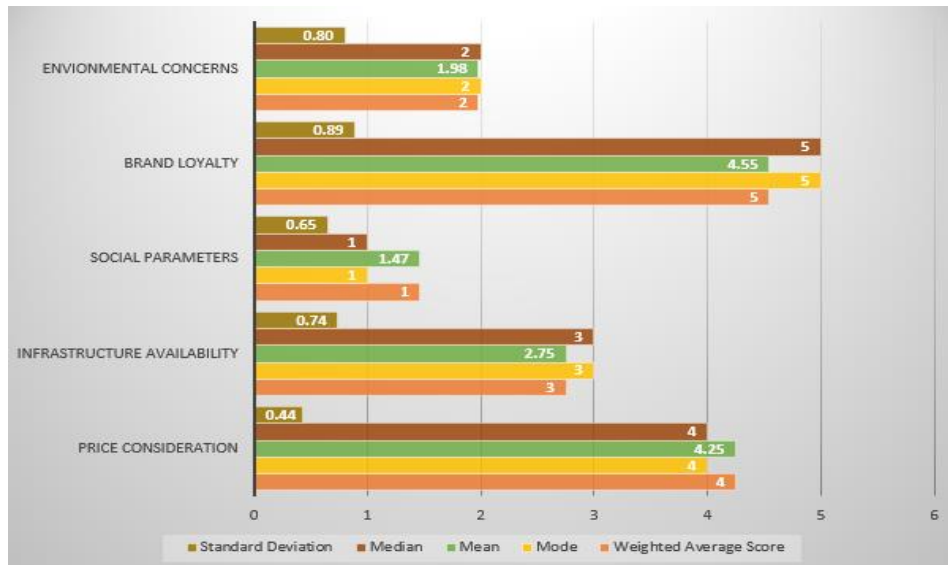
**Table 4.2: Aggregate results of 210 respondents on factor ranking**

Factor	Price Consideration	Infrastructure Availability	Social Parameters	Brand Loyalty	Environmental Concerns
Factor Coding	1	2	3	4	5
Respondents - 210 Aggregate	893	578	308	955	416
Percentage	85%	55%	29%	91%	40%

Brand loyalty attained the highest score 91%, marginally followed by price consideration – 85%, then infrastructure availability – 55%, environmental concerns – 40% and lastly social parameters – 29%.

Descriptive statistics (mean, median, mode and standard deviation) were used to summarize and present the data in a meaningful way – see Figure 18 below. This allowed the researcher to identify patterns and trends.

**Figure 18: Descriptive Statistics – Mean, Median, Mode and Standard Deviation**



*Weighted Average Score and Mode:* The weighted average score was used to assign different weights to each factor based on the respondents’ perceived importance of that factor. Brand Loyalty – 5, received the highest weighted average score indicating that, on average, respondents considered brand loyalty as the most influential factor. Price Consideration – 4, followed closely indicating significant importance. Infrastructure Availability – 3, received a moderate score suggesting moderate importance, while Environmental Concerns – 2, indicated a lower level of importance. Social Parameters – 1, received the lowest weighted average score of 1, suggesting it is considered the least influential factor.

The mode represents the most frequently occurring rank. For all factors under exploration, the mode is consistent with the weighted average score, reinforcing the reliability of the rankings.

*Mean:* The mean provides the average rank for each factor. Brand Loyalty – 4.55, again emerges as the most important factor, as it has the highest mean. Price Consideration – 4.25, is the second highest. Infrastructure Availability – 2.75, has a lower mean which suggests moderate importance, whereas Environmental Concerns – 1.98, has a lower mean, indicating lower overall importance. Social Parameters – 1.47, with the least mean is rated as the least important.

*Median:* The median is the middle value in a dataset. With these median values: Brand Loyalty – 5; Price Consideration – 4; Infrastructure Availability – 3; Environmental Concerns – 2; and

Social Parameters – 1, the median values align with the mean, confirming the consistency of rankings.

*Standard Deviation:* The standard deviation provides a measure of the spread of the scores. Brand Loyalty – 0.89, has the highest standard deviation, indicating greater variability in respondents' rankings. Environmental Concerns – 0.80, has moderate variability. Infrastructure Availability – 0.74, has a variability like environmental concerns, while Social Parameters – 0.65, also has moderate variability. Price Consideration – 0.44, has the lowest variability indicating more consensus on price considerations among the respondents.

The researcher used the Garrett Score to confirm the consistency of the rankings above. The value of each factor, as presented in table 4.3 below, was calculated using the formula  $100(R_{ij} - 0.5)/N_j$  – where  $R_{ij}$  is the Rank given for the  $i^{\text{th}}$  variable by  $j^{\text{th}}$  respondents, and  $N_j$  is the number of variables ranked by  $j^{\text{th}}$  respondents. The results of the Garrett score prove the consistency of rankings obtained from the respondents in the questionnaire.

**Table 4.3: Factor Ranking using Garrett Score**

	Price Consideration	Infrastructure Availability	Social Parameters	Brand Loyalty	Enviornmental Concerns
Factor Total Score	893	578	308	955	416
Total Respondents	210	210	210	210	210
Mean	4.25	2.75	1.47	4.55	1.98
<b>Respondents' Ranking</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>4</b>
Calculated Value = $100(R_{ij}-0.5)/N_j$	30	50	90	10	70
Garret Score - From Garret Table	60	50	24	75	39
<b>Garret Rank</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>4</b>

In summary, respondents consistently ranked brand loyalty – 1, and price considerations – 2, as the most influential factors in their decision to purchase vehicles. Infrastructure availability – 3, and environmental concerns – 4, were ranked as moderately influential, while social parameters – 5, which includes peer and family advice, social status, and societal recognition, was consistently ranked as the least influential factor.

These results suggest a clear hierarchy in the factors influencing purchasing decisions.

#### 4.7. The Impact of Brand Loyalty on Consumer Decisions to Purchase a Motor Vehicle

To determine the impact brand loyalty has on consumers' decision to purchase motor vehicles, respondents were asked about their likelihood to repurchase the same vehicle brand (on a 3-point Likert scale) and their brand loyalty (on a 5-point Likert scale). Regression was then used to analyze the correlation between brand loyalty and the decision to purchase.

**Table 4.4: Brand Loyalty Regression Results**

Regression Statistics								
Multiple R	0.894632614							
R Square	0.800367514							
Adjusted R Square	0.600735028							
Standard Error	1.263748348							
Observations	3							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	6.402940113	6.40294	4.009204768	0.294874676			
Residual	1	1.597059887	1.59706					
Total	2	8						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.625135559	1.001913865	1.622031	0.351714297	-11.10538713	14.35565825	-11.10538713	14.35565825
Likelihood	0.019640921	0.00980918	2.0023	0.294874676	-0.104996534	0.144278375	-0.104996534	0.144278375

The regression statistics showed Multiple R (Correlation Coefficient) at 0.89. A strong positive correlation indicates a relationship between the two variables – brand loyalty and the decision to purchase. The R Square (Coefficient of Determination) was 0.80, meaning 80% of the variability in the likelihood to purchase can be explained by Brand Loyalty. A high R-squared is generally desirable. The likelihood co-efficient of 0.02, entails a change in the likelihood to purchase for a one-unit change in brand loyalty. It is positive, suggesting a positive relationship.

In summary, the strong positive correlation between brand loyalty and likelihood to purchase explains 80% of the variability in likelihood to purchase. The positive coefficient (0.02) suggests that as brand loyalty increases by one unit, likelihood to purchase also increases by 0.02. Therefore, brand loyalty impacts the decision to purchase a motor vehicle.

#### 4.8. Attributes Differentiating Consumers' Preferred Brand from Other Brands

In addition to the questionnaire, interviews were conducted, and these served as a valuable qualitative data collection method, guided by an interview guide. The insights gathered through 12 interviews are succinctly presented in Table 4.5 below. Saturation, indicating information redundancy, was achieved after the 11th interview.

The researcher engaged twelve customers – 3 from each of the four brands, tasking them with elucidating the distinctive attributes that set their preferred brand apart from others. A meticulous analysis of the interviewees' responses led to the identification of six overarching categories designed to address the nuances of these attributes.

**Table 4.5: Summary of Attributes Coding**

Summary of Interviews	
<b>1</b>	<b>Number of interviews</b> 12
	<i>* Three interviewees for each of the four brands - Toyota, Ford, VW and Suzuki.</i>
<b>2</b>	<b>Total number of vehicles bought by customers interviewed:</b>
	<i>* Toyota</i> 56
	<i>* Ford</i> 15
	<i>* VW</i> 10
	<i>* Suzuki</i> 7
<b>3</b>	<b>Customer coined slogan for the brand :</b>
	<i>* Toyota ..... Zambia drives Toyota</i>
	<i>* Ford..... None</i>
	<i>* VW..... There is VW, then there is everybody else</i>
	<i>* Suzuki..... The affordable option</i>
<b>4</b>	<b>Attributes debunked from the 12 interviews</b>
	<i>Code 1 - Product Reliability - Consistent Performance / Dependable / Faultless / Reliable</i> 11 out of 12
	<i>Code 2 - Durability - Heavy Duty / Built to last/ Toughness / Hard wearing/ Longevity</i> 7 out of 12
	<i>Code 3 - Image &amp; Reputation - Well regarded/ Respected/ Reputable / Trustworthy</i> 9 out of 12
	<i>Code 4 -Innovation &amp; Features - Next Generation/ Pioneering/ Innovative / Futuristic</i> 12 out of 12
	<i>Code 5 -Customer Service - Commitment/ Responsive/ Attentive / Helpful/ Follow Up</i> 12 out of 12
	<i>Code 6 -Emotional Attachment - Affection/ Connection / Brand Love / Identity / Passionate</i> 10 out of 12
	<i>Code 7 -Affordability - Reasonable vehicle price/ Low service cost</i> 5 out of 12

Code 1 – Product Reliability: A remarkable consistency emerged, with 92% of interviewees consistently employing the terms ‘consistent performance,’ ‘dependable,’ ‘reliable,’ and ‘faultless’ to characterize their preferred brand.

Code 2 – Durability: 58% of interviewees, notably those who owned Ford and VW vehicles, emphasized the enduring qualities of their preferred brands, using expressions like ‘built to last,’ ‘heavy-duty,’ ‘hard-wearing,’ and ‘toughness.’

Code 3 – Image and Reputation: Customers of Toyota, Ford, and VW (75%) uniformly portrayed their brands as ‘well-regarded,’ ‘respected,’ and ‘reputable.’ Interestingly, Suzuki customers (25%) did not echo this sentiment.

Code 4 – Innovation and Features: Every interviewee cited elements of ‘innovation,’ ‘futuristic

design,' 'pioneering spirit,' and 'next-generation features' when describing the attributes of their preferred brands.

Code 5 – Customer Service: All interviewees attested to the 'commitment,' 'responsiveness,' 'helpfulness,' and 'follow-up' aspects of their service provider under this category.

Code 6 – Emotional Attachment: A profound emotional connection was evident, 83% of interviewees utilized terms like 'affection,' 'connection,' 'brand love,' 'identity,' and 'passionate' to articulate their emotional bond with the brand.

Code 7 – Affordability: Affordability considerations were highlighted by 42% of interviewees, who specifically mentioned 'reasonable vehicle prices' and 'low service costs' when depicting the economic accessibility of their preferred brands.

In summary, the researcher discerned distinct themes, from the interviewees encapsulating the attributes that set their preferred brand apart from others.

*Quality and Performance:* There is pronounced emphasis on reliable, durable, and high-performance vehicles.

*Reputation and Trust:* Interviewees favored brands that are reputable, respected, and instill a sense of trust.

*Innovation and Futurism:* Brands that are seen as innovative and at the forefront of technology.

*Customer-Centric:* Positive customer service experiences emerged as a contributing factor to brand preference.

*Emotional Connection:* Emotional factors, including personal attachment and brand love, are significant.

*Affordability Consideration:* Affordability is a consideration, but not consistently emphasized.

#### **4.9. Chapter Summary**

This chapter presented the findings of this study based on the objectives and available literature. The findings revealed similarities with the literature that was reviewed in the study. The study confirmed the key factors consumers consider in their decision making when purchasing vehicles and ranked these factors in order of influence on their decisions. The impact of brand loyalty on consumers' decisions was thoroughly explored. Lastly, attributes that differentiate consumers' preferred brand from other brands were identified and discussed.

## **CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Introduction**

This chapter seeks to draw conclusions from the findings discussed in chapter four and make recommendations thereof. In addition, the chapter highlights the limitations of the study and presents areas for future research.

### **5.2. Conclusions from the study**

In the pursuit of understanding the intricate web of influences governing consumer decisions in motor vehicle purchases, as the aim of the study was, this research – centered around CFAO and its four distinct brands, Toyota, Ford, Suzuki, and VW, has uncovered pivotal insights.

Firstly, the identified factors—price considerations, brand loyalty, infrastructure availability, environmental concerns, and social parameters—form a cohort of key factors motor vehicle buyers consider in their decision-making.

Secondly, the ranking of these factors further refines our understanding, emphasizing the nuanced hierarchy in which consumers weigh these considerations. Brand loyalty and price considerations emerge as the linchpin, holding the most influential positions in consideration. The proximity of price considerations to brand loyalty in the ranking signals a delicate equilibrium that companies, including CFAO, must navigate—balancing competitive pricing with the cultivation of brand loyalty. Infrastructure availability ranking third emphasizes the need to have facilities available, such as service centres and a good road network, for purposes of proper vehicle maintenance and longevity. Consumers ranked environmental concerns and social parameters fourth and fifth respectively indicating that they entertain the green ideology concept and the societal reflection on them arising from vehicles they decide to buy.

Thirdly, the revelation of a strong direct linear relationship between brand loyalty and the decision to buy, validated through single regression analysis, emphasized the impact brand loyalty has on consumer decision making to purchase vehicles. This is empirical evidence that brand loyalty significantly impacts vehicle buying decisions.

Lastly, consumers highlighted these variables as factors differentiating their preferred brands from other brands —customer-centricity, emotional connection, reputation and trust, quality and performance, affordability, innovation and futuristic appeal.

### **5.3. Recommendations arising from the study**

The research has dissected the factors that influence consumer decision making when buying motor vehicles. Based on the research findings, here are some recommendations to enhance CFAO's strategic approach:

*Strengthen Brand Loyalty Initiatives:* Tangible empirical evidence reveals a direct linear relationship between brand loyalty and the decision to buy. CFAO should leverage the paramount influence of brand loyalty by investing in strategic brand building initiatives that foster emotional connections and trust. Across the lesser performing brands — Ford, Suzuki, and VW, the company should allocate more resources to close the material gap in sales by implementing loyalty programs, personalized customer experiences, and exclusive perks to cultivate lasting relationships with consumers.

*Brand-Specific Marketing Strategies:* CFAO should develop and implement targeted marketing campaigns for each brand, emphasizing their individual strengths and unique selling points. Tailor messaging and promotional activities to resonate with the distinct demographics and preferences of each brand's target audience. Highlighting brand-specific innovations, features, and customer benefits. This brand specific marketing strategy will only be possible upon providing comprehensive training for sales and service teams to enhance their product knowledge for all four brands. Thus, equipping staff with in-depth product knowledge will ensure they can effectively communicate the unique value propositions of each brand, helping to build consumer confidence and trust.

*Invest in Infrastructure Availability for all brands:* Given the importance of infrastructure availability in consumer decision making, CFAO should prioritize the development and optimization of service centers and maintenance facilities for all four brands. The already existing Toyota service centres dotted across the country should be expanded to accommodate the other three brands, ultimately converting them to multi-brand service and maintenance centres.

*Customer-Centric Approach:* CFAO should adopt a customer-centric approach by prioritizing consumer feedback and preferences, regularly engaging with consumers to understand their evolving needs and expectations.

### **5.4. Suggestions for future research**

This study was a case study, analyzing factors that influence consumer decision making in motor vehicle purchases. To compliment the findings of this study, future research should be:

Broadened beyond the scope confined to CFAO, to encompass the entire automotive industry. A comprehensive study across multiple companies and brands would provide a more holistic understanding of the factors influencing consumer decision-making. Emphasizing a more industry-centric approach would offer valuable insights on the automotive industry level, and contribute to the generalizability and applicability of findings, facilitating a deeper comprehension of consumer dynamics in the broader automotive landscape.

As the Zambian government is currently driving the automotive industry towards electric vehicles (EVs), future research should conduct an in-depth analysis of environmental concerns in this transformative era. Investigating consumer perceptions, preferences, and decision-making in light of EVs would provide critical insights. Researchers can explore factors such as the influence of eco-friendly features, charging infrastructure, and government incentives on consumer choices, as well as assessing the societal and environmental implications of transitioning to EVs.

## **5.5. Conclusion**

The chapter has provided a summary of the research findings for the study – ‘Analyzing factors that influence consumer decision making when purchasing a motor vehicle – A case of CFAO Motors’ customers.’ Key factors influencing purchasing choices have been identified and ranked, brand loyalty’s impact on consumer decision has been determined and the factors that differentiate customers’ preferred choices from others identified. Recommendations on how CFAO can implement strategic tailored marketing, unified customer-centric approaches and investing in service and maintenance centre have been proposed, with a view to harmonize sales performance across all brands and enhance the company’s overall competitive position in the automotive market.

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Zambia Association of Manufacturers (ZAM), 2021 Annual Report.

## 7. APPENDICES

### Appendix 1: Questionnaire

A study on analyzing factors that influence consumer decision making when purchasing a motor vehicle.

Dear respondent,

My name is Arthur Bwalya. I am a Master of Business Administration (MBA) student at ZCAS University. As part of my MBA, I am required to carry out a research project on the subject “Analyzing factors that influence consumer decision making when purchasing a motor vehicle: A case of CFAO Motors Zambia Limited”.

You have been randomly selected to be part of this study and help us carry out this investigation. Please note that your participation in this study is entirely voluntary, and if you choose not to participate, no harm will come to you or your organization. However, if you choose to participate in this study, we will ensure that we maintain your identity anonymous, and the information being solicited from you is purely for academic purposes. All information provided by you will be treated with utmost confidentiality.

#### INSTRUCTIONS FOR RESPONDENTS

1. Do not indicate your name on the questionnaire.
2. Please try as much as possible to answer all the questions and if you have any doubts, please ask the interviewer.
3. Indicate the number in the box (on the right) that best represents your answer.

**SECTION A: DEMOGRAPHIC INFORMATION**

1. Gender (Male=1, Female=2)

2. What is your age group?  
1. below 24 years  
2. 25-34 years  
3. 35-44 years  
4. 45-54 years  
5. 55 and above.

3. Marital status  
1. Single  
2. Married  
3. Other

4. Highest education Level  
1. University  
2. College  
3. Secondary School  
4. Primary School

5. What is your occupation?  
1. Student  
2. Employed  
3. Self-employed  
4. Unemployed  
5. Other (please specify) .....

6. What is your monthly income range?  
1. Below ZMW 15, 000  
2. ZMW 15,000 to ZMW 25, 000  
3. Above ZMW 25, 000

7. How did you finance the purchase of your vehicle?  
1. Personal savings / cash  
2. Personal savings/ cash plus bank loan  
3. Bank Loan  
4. Lease financing  
5. Others (please specify) .....

**SECTION B: PURCHASE BEHAVIOUR**

8. Which vehicle brand did you purchase from CFAO Motors Zambia?

- 1. Ford
- 2. Suzuki
- 3. Toyota
- 4. Volkswagen (VW)

9. I am likely to repurchase the motor vehicle brand I bought from CFAO Motors Zambia, due to brand loyalty.

- 1. No
- 2. Not Sure
- 3. Yes

10. How satisfied are you with the vehicle brand you purchased from CFAO Motors Zambia?

- 1. Very dissatisfied
- 2. Dissatisfied
- 3. Neutral
- 4. Satisfied
- 5. Very satisfied

**SECTION C: FACTORS INFLUENCING DECISION MAKING**

For the following statements, indicate the number in the box on the right, that best represents your response.

11. The vehicle purchase price is an important factor in my decision to purchase a motor vehicle.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

12. The cost of maintaining a vehicle (i.e., insurance, road tax, servicing cost and fuel cost) is an important factor in my decision to purchase.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

13. The resale value (i.e., the price at which the vehicle can be sold after a long period of use) is an important factor in my decision to purchase.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

14. Financing options (i.e., availability of lease and loan facilities) is an important factor in my decision to purchase.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

15. I will buy a motor vehicle that represents my social status in society and gets me recognition.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

16. When buying a motor vehicle, it is important to consult my peers and family members and hear their advice.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

17. Having quality roads in my area is an important factor to consider when buying a vehicle.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

18. Availability of service centre points near my area affects my vehicle purchase decision.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

19. If I was to buy a motor vehicle again, I will buy the same vehicle brand I currently have.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

20. I have trust and confidence in the vehicle brand I drive, that I can even recommend it to my colleagues and family members.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

21. I am emotionally attached to the motor vehicle brand I bought.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

22. For my preferred vehicle brand, the vehicle purchase price to be paid does not matter.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

23. I want to buy a motor vehicle that uses fuel efficiently and reduces its carbon emissions.

- 1. Strongly Disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly Agree

24. Buying an environmentally friendly motor vehicle is an important factor to consider.

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

**SECTION D: RANKING FACTORS THAT INFLUENCE DECISION MAKING**

Rank the following factors according to their influence on your decision to purchase a motor vehicle. Rate the factors on a scale of 1 to 5, with 1 – the most influential and 5 – the least influential.

- 1. Price considerations {purchase price, maintenance cost, resale value, fuel cost} .....
- 2. Infrastructure Availability {quality road and access to service centre points} .....
- 3. Social Parameters {peer and family advice, social status, societal recognition} .....
- 4. Brand Loyalty {emotional attachment, repeated purchases, brand trust} .....
- 5. Environmental Awareness {fuel efficiency and reduced emissions} .....

**SECTION E: VEHICLE BRAND DIFFERENTIATION ATTRIBUTES**

List five specific attributes that differentiate your preferred vehicle brand from other vehicle brands.

- 1. ....
- 2. ....
- 3. ....
- 4. ....
- 5. ....

Thank you for your participation.

## Appendix II - Interview Guide

A study on analysing factors that influence consumer decision making when purchasing a motor vehicle.

Date of interview (day/month/year): \_\_\_\_\_

Beginning time of interview: \_\_\_\_\_

End time of the interview \_\_\_\_\_

Name of the interviewer: \_\_\_\_\_

Name of the note taking method: \_\_\_\_\_

Dear respondent,

My name is Arthur Bwalya. I am a Master of Business Administration (MBA) student at ZCAS University. As part of my MBA, I am required to carry out a research project on the subject “Analysing factors that influence consumer decision making when purchasing a motor vehicle: A case of CFAO Motors Zambia Limited”.

You have been selected to take part in this interview. You are requested to answer the questions in this discussion to the best of your ability. Be rest assured that the information obtained from this interview will be treated with utmost confidentiality and will be solely used for academic purposes of this study. Your name will not be recorded, and your responses will not be shared with anyone outside this study.

I would like to ask for your permission to record this interview so that I do not miss any important responses and ideas that you will provide.

All details of this meeting will be kept confidential, so please feel free to express your opinions openly.

Answer the following questions.

1. Confirm you are a corporate customer of CFAO Motors Zambia and tell us about the vehicle brand you purchased from the motor vehicle dealer?
2. When last did you purchase a motor vehicle from CFAO Zambia Limited?
3. In your next vehicle purchase, would you consider buying a vehicle brand different from the one you previously bought from CFAO Motors Zambia? Explain with reasons.

4. As an organization, how do you determine the vehicle brand the company buys for its company motor vehicle portfolio?
5. Can you list the factors that you took into consideration to arrive at the decision to purchase the motor vehicle brands you currently have in your motor vehicle portfolio?
6. Picking up from question five, how do you rank the factors that influenced your decision? Give us a list starting with the most influential and ending with the least.
7. What attributes does the vehicle brand you prefer have, which differentiates it from other vehicle brands and makes you believe it is the best brand?
8. Based on these unique attributes, would you recommend the vehicle brand you currently have to your peers, friends and other organizations?
9. Is there any additional comment, you would like to make regarding your preferred vehicle brand?

Thank You for your participation.